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OFFICE OF MANAGEMENT AND BUDGET CIRCULAR NO. A–95: EVALUATION, REVIEW, AND COORDINATION OF FEDERAL AND FEDERALLY ASSISTED PROGRAMS AND PROJECTS

HEARING

BEFORE THE

SUBCOMMITTEE ON
INTERGOVERNMENTAL RELATIONS

OF THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

APRIL 26, 1982

Printed for the use of the Committee on Governmental Affairs

S401-73

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OFFICE OF MANAGEMENT AND BUDGET CIRCULAR NO. A-95: EVALUATION, REVIEW, AND COORDINATION OF FEDERAL AND FEDERALLY ASSISTED PROGRAMS AND PROJECTS

MONDAY, APRIL 26, 1982

U.S. SENATE,
SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C.

The subcommittee met at 9:30 a.m., in room 3302, Dirksen Senate Office Building, Hon. Dave Durenberger (chairman of the subcommittee) presiding.

Present: Senator Durenberger.

OPENING STATEMENT OF SENATOR DURENBERGER

Senator DURENBERGER. The hearing will come to order.

This morning we are conducting an oversight hearing on the Office of Management and Budget Circular A-95.[1] This hearing is being held at a time when OMB is actively consulting with State and local officials on a possible revision of the A-95 Circular.

The A-95 process is authorized by two U.S. statutes. Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and title IV of the Intergovernmental Cooperation Act of 1968 are within the jurisdiction of this subcommittee. To my knowledge, the subcommittee has never held an oversight hearing on the A-95 process.

There are two purposes behind A-95. The first is a congressional instruction to Federal agencies to assure that they seek and respect the views of State and local governments and regional planning organizations when making grants for development purposes. A-95 was developed at a time when the number of development grants and dollars available through Federal assistance were increasing rapidly. It was designed to give officials of State and local governments more control over the direction and pace of development.

A-95 also serves the interests of the Federal Government. Assuring that Federal funds are used wisely requires careful planning to meet the needs of people.

Uncoordinated grantmaking by Federal agencies can cause too much investment in housing, hospitals, transportation, and other public works projects. The failure to plan carefully can also lead to Federal financing of development projects that work at cross purposes. We here in Washington must depend on, and in turn support, the regional planning process to make sure that scarce Federal dollars are put to the most effective possible use. A–95 is an important tool in that planning process.

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[1] See p. 112.

The A–95 process has been implemented by statewide and areawide clearinghouses which review and comment on grant applications by government agencies, nonprofit organizations, and private firms. There are more than 500 clearinghouses doing such work today. A–95 is part of the grant application process for some 270 separate programs and, in recent years, more than 100,000 reviews were conducted annually.

This much complexity always produces problems. Many of the witnesses we will hear today will express the view that A–95, as currently structured, is no longer working effectively. There are two separate issues in the criticism. One is that the process has become bogged down in redtape. A–95 is perceived to be just another layer of regulation imposed on the Federal grant system.

The second criticism is that Federal agencies do not give sufficient weight to the views of State and local governments that are produced through A–95 reviews. One suspects that if State and local officials could be sure that A–95 was an important channel for communication to the Federal agencies, the procedural requirements would not seem so burdensome.

Our purpose this morning is to explore these issues and the steps that OMB is contemplating to correct the problems. We are working with a bit of a handicap, because the public record does not yet contain an explicit statement of the new policies that OMB has under consideration. We will do the best we can to build a record in this regard.

Senator Warner, who is scheduled to be our first witness, is chairing another subcommittee hearing at the present time. He may show up at any time. I will call Joe Wright and the other witnesses in order with the caveat that—if you don't mind—when John does get away from his hearing, to put in a brief statement, I won't ask him any questions. So it won't delay the process.

Our first witness, then, will be Mr. Joseph Wright, Deputy Director, Office of Management and Budget, accompanied by Mr. Harold Steinberg and Mr. Jim Kelly.

Joe, welcome. We have your statement which will be made a part of the record. You may do as you wish.

TESTIMONY OF JOSEPH WRIGHT, DEPUTY DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, ACCOMPANIED BY HAROLD STEINBERG, ASSOCIATE DIRECTOR FOR MANAGEMENT, AND JIM KELLY, DEPUTY ASSOCIATE DIRECTOR FOR INTERGOVERNMENTAL AFFAIRS, OMB

Mr. Wright. Thank you, Mr. Chairman.

I would like to make the statement a part of the record, and just highlight it very briefly before asking for your suggestions, or answering questions.

I am pleased to be here to discuss our proposal for improving the intergovernmental coordination process now contained in OMB Circular A-95. As you know, A-95 was added to the agenda of the Vice President's Task Force on Regulatory Relief last fall.

Although there are, in our opinion, serious problems with the existing circular there appears to be unanimous support for the concept of State and local review of proposed Federal actions, including the support of the administration. However, Mr. Chairman, the procedures of A-95 do not work well at any level of government as far as we can tell. Specific problems of A-95 include, first, a prescriptive emphasis on procedures over substance including the nature and timing of reviews as well as Federal program coverage. It is a system which is paper bound with over 100,000 applications per year which, in turn, means that State and local reviewers are detracted from the truly critical issues.

Federal agencies do not properly respond to State and local reviews, in part, due to a lack of strong State and local reviews which result in a credibility problem. We realize that some State and local review systems work well, including the one in the Twin Cities area, but we think this is due to the State and local leadership, not A-95 prescriptive requirements.

Mr. Chairman, if I may discuss how we arrived at our findings and proposed changes. We consulted with the elected officials or staffs of the pertinent State and local interest groups. We have also received 120 unsolicited letters from State and local officials. Almost all support the A-95 concept of State and local review of proposed Federal actions, but they also indicate that implementation of the concept badly needs improvement. The State and local interest groups' staff met on March 26 with the White House and the OMB on the details of the pending policies. We consulted with the staff of the subcommittee and the full committee. We have done additional analysis which shows that 44 States have statewide sub-State planning bodies and 33 States have strong controls over State agency applications for Federal funds.

Our proposed changes include a strong policy which provides that State and local governments should have every opportunity to comment on and influence proposed Federal action. Next, State and local governments should be able to develop and use their own systems of review and comment without Federal interference. Federal agencies should recognize officially designated review and comment processes in those States which participate. Federal agencies also should accommodate State and local views wherever possible and should utilize State and local systems of planning wherever possible. Federal agencies should provide for coordination reviews in interstate and metropolitan areas, and the Federal Government should assure that regulatory relief goals are met in developing Federal implementation procedures. The Federal implementing procedures should be short and to the point. OMB should coordinate this under its Executive Order 12291, regulatory relief authority.

At the present time, State and local comments are coming in, and OMB will seek Federal agencies' views in the near future. We welcome your comments in this process and any recommendations you may have. We believe the best promulgation system will be an Executive order which would show the seriousness of the President and would be visible to the Federal agencies.

Thank you, Mr. Chairman, for your interest. We welcome your suggestions and comments. We would be more than happy to answer any questions that you have.

Senator **Durenberger**. Thank you, Mr. Wright. I have quite a few questions.

In part, because I knew you would abbreviate your statement and because we have other witnesses here today and we hope to benefit from their reactions to your statement also, I will begin with some of the areas that are less controversial.

Part II of the current A–95 Circular requires that Federal agencies which engage in direct developments—such as public works projects, military installations, and public buildings—must consult with State and local governments that might be affected by these developments.

How does the proposed revision of A–95 impact this requirement?

Mr. **Wright**. Mr. Chairman, we don't see that there would be any change in that requirement except that, rather than being a federally-prescribed process, this would be a State process.

Senator **Durenberger**. Do we know how well the current part II requirement is working? Has OMB studied the activities of Federal agencies that are subject to this requirement to see how well they comply? Is OMB the place where State and local governments go to complain, if they don't think an agency is doing a good job of consulting in the part II activities? Do you get many cases of that type, or do they all come to people like me who are elected to watch the Federal agencies involved?

Mr. **Wright**. Mr. Chairman, we think there are mixed results in this area. Some Federal agencies appear to be doing a reasonable job. Others appear to be doing a poor job. We receive many complaints on this issue. Some of the State and local governments feel that A–95 is not only improperly used, but is very paperwork-intensive and is not resulting in the overall effect for which A–95 was originally intended.

Senator **Durenberger**. That is a nice general statement. However, I am trying to zero in on the part that you said you are not going to change—that is, the part II requirement, the agencies that deal directly with the public works projects, military installations, public buildings, et cetera. I want to know whether or not OMB really looked at that area. Has OMB heard the same kinds of complaints that a lot of us have heard? If so, how has that been reflected in your decision not to change the part II requirement?

Mr. **Steinberg**. We have looked at it. We probably put more emphasis on the other parts.

There are some agencies that are doing a fairly good job. For instance, the Air Force always gets high marks in coordinating its flyovers. Other agencies have gotten poor marks. The fact that we are going to the Executive order as the way, is because we think we can get more weight behind the need for the agencies to pay attention and coordinate with the State and local governments. Also helpful in this area is the President's view of federalism which is well known to the Federal agencies. OMB, using the authorities in the Executive order, just has to lean harder on the agencies.

Senator **Durenberger**. Under current part II requirements, does the Federal agency—use the Air Force or anybody else as an example—under current law, are they required to notify either statewide or areawide clearinghouses of their intentions?

Mr. **Wright**. I believe they are; yes. It is the manner of doing it which is the problem we have.

Senator **Durenberger**. Under the revised policy, you would recommend that notification continue?

Mr. **Wright**. The notification process will continue, but only for those actions the State and local governments wish to be notified of. The fact that they have been notified of so many individual actions in the past—upwards of 100,000—makes it virtually impossible to monitor and police the system. We are trying with this new approach, to put more weight behind the process through the Executive order, so that it causes a focus on the more important types of actions that would affect the State and local governments. We are also trying to remove some of the heavy paperwork load that has prevented the system from working in the past.

Senator **Durenberger**. I have to continue to ask this question until I can get some degree of specificity in my head.

If you are going to take an airbase out of my State and put it in another—they are most likely going to take it out—you just notify the Governor? Or, are there local governments and areawide planning agencies that are involved under the law? Who is required to be informed?

Mr. **Wright**. Right now, under the two laws, it would be—I am trying to think whether the Model Cities Act applies to airbases as well. I do not think it does. There would be a requirement in agency implementing instruction that they be notified. The Executive order does not specify what that notification process would be. We do not think that the State will have difficulty with notifications as 44 of the States have already provided their own planning mechanisms.

Senator **Durenberger**. With regard to part I, will you be proposing in addition to notifying the Governor that existing areawide agencies or units of local government, however they might be constituted, be informed in the notification process?

Mr. **Wright**. We are leaving it up to the States to define the process within their State boundaries.

Senator **Durenberger**. I want to ask you now about part III of the current circular. Many Federal programs require State and local agencies to prepare plans. Part III requires that these plans be submitted to the Governor as well as to the Federal agency administering the program. Will that particular requirement continue under the revised A–95?

Mr. **Steinberg**. Again, each State will be free to establish the type of planning mechanism that it feels is appropriate for its needs.

Senator **Durenberger**. You go farther than the current policy by suggesting that the Governor may be able to submit the planning and budgeting system in lieu of these detailed plans for specific programs. Might you need legislative authorization for such flexibility?

Mr. **Wright**. Mr. Jim Kelly has just joined us. He is the Deputy Associate Director for Intergovernmental Affairs at OMB.

Mr. **Kelly**. Mr. Chairman, the basic approach that we are taking to meet the requirements of the current part III of A-95 are two things: First, as far as the coverage of the programs which will be included under the new review system, and even the parts of those programs—in this case the federally mandated planning requirement—we will have the State define through their official system the interest that they have in each. They may have an interest in all of it. They may have an interest in only part of it.

With respect to the planning part which will be included in their overall choice and definition, what we are attempting to do is to take those very prescriptive federally mandated State plans that are now on the books for all of the formula grant programs and provide the opportunity for three courses of action if the States choose that to be one of the programs they want to be reviewed. The first is to basically simplify the plans where existing statutory language allows us to do so. In other words, if we had gone beyond the statute in the prescriptiveness the Federal Government has put into that plan, we would like to simplify that.

The second part is to consolidate similar State plans so that a single State agency, which has three or four different Federal agencies to submit a related plan to for their approval, could have those agencies review the plan at the same time to provide one single coordinated Federal response back to the Governor or State agency.

The third is the possibility of actually providing the opportunity for a State's planning and budgeting system, when they actually define how the State may be planning to run their program, to satisfy the requirements of the federally prescribed State plan.

There are some cases in which we do need statutory relief in order to go all the way. There are programs in which the federally mandated planning requirements have gone much beyond the statutes that are now on the books. In these cases Federal agency personnel have specified information requirements in order to get information into the Federal Government that they felt was necessary. So what we would attempt to do is first tackle those things administratively that do not require statutory change using the three approaches outlined above. If there are some major concerns in the States for programs they want covered, we could even consider making statutory changes to the prescriptiveness of the planning mandate if necessary.

Senator **Durenberger**. I guess I asked the question as much from the standpoint of my colleagues around here as I did from the standpoint of how the States might react to the process. It seems to me that if you are going to let Governors make the decision and decide whether or not they want to have a plan or not, you are faced with two problems.

First, you have to make the decision—or somebody has to make the decision—as to whether or not a particular State's budgeting system is adequate. Second, you are going to have to tell about 12 or 13 of my colleagues on the Senate side—and I don't know how many people on the House side—why it is they can't keep track of States' compliance with a lot of programs that they feel they took an awful lot of care in designing so they would meet the needs of specific clients out there.

That is why I asked the question about anticipating the need for some legislative change.

Mr. Kelly. May I offer one further footnote to what I said, Mr. Chairman? We do not intend, through this policy change, to decide whether or not a plan should be submitted that is required by Federal statute. Our approach will be to examine the nature of the plan and the manner in which State practice could substitute for Federal information requirement when the statute provides for such flexibility.

We are trying to make sure that the plans which are developed are plans that are actually required; and, second, that they are well known and well reviewed throughout the State and local government on their way to the Federal Government.

Senator Durenberger. Let me turn to a third issue. There are approximately 40 metropolitan SMSAs that cross State boundaries. Under the current A-95 Circular we have a clearinghouse designated for each of those metropolitan areas and they do the A-95 work right now, as I understand it. What will happen to these interstate clearinghouses if the policy is revised in the direction that you are suggesting?

Mr. Wright. Mr. Chairman, we expect many of these areas will continue the present practice. However, they should be able to change, if they wish. In the interstate areas the new policy recognizes that these areas are unique in the problems they confront and we have a specific policy to encourage full coordination at State and local levels. We will be asking the Federal agencies to incorporate in their implementing regulations procedures to insure that comments from one political jurisdiction are made available to others where issues do not respect State boundaries.

Senator Durenberger. That sounds good, but as a practical matter, suppose that you are now freeing up all these people to do things the way they would like to do them. The District of Columbia just decides that it wants to do metropolitan-wide planning and feels that it is the focus of this metropolitan area and Virginia and Maryland are just bedrooms from which people come to soak up public services and to make their income. So the District of Columbia says, "We are going to do the metropolitan-wide planning." Virginia and Maryland decide they don't want to go along with it. Then what happens?

Mr. Wright. The Federal agencies are going to have to provide for the surfacing of different views and take them into account. We anticipate that there will be few circumstances where the State and local elected officials will not be able to agree on a position to communicate to the Federal agency.

Senator Durenberger. Each Federal agency is going to make its own decision?

Mr. Steinberg. In effect that is the way it is done now. The Federal agency is making the decision, working directly with the clearinghouses. Quite frankly. I don't see that there would be much of a change to that because our policy has clearly been stated that the Federal agencies must be aware of the views of all of the parties. We will even be urging them to go beyond that, to assist in coordinating these views. However, we are moving away from only working with the clearinghouses, and we anticipate working through the States to get an even wider view.

Senator Durenberger. The fact is then, under the scenario that I laid out for you, that the Federal agency is going to make the decisions. Whether there are conflicts or not, the Federal agencies will make the decision. Then, what have you done for the metropolitan areawide planning or coordination?

Mr. **Kelly**. Again, to the best of my knowledge, most of the interstate areas have actually developed interstate compacts, as a result of having dealt with this problem for the last 12 to 13 years. Most of those interstate compacts are developed in a very legal and official way. There is nothing that we are doing in this change in policy that would cause them to undo those existing interstate compacts. I feel very strongly that the system has demonstrated itself in its value to the State legislatures, the Governors, and the local officials who participate in it. As a consequence, I would expect that our policy would not, in any way, cause them to undo those compacts.

To go back to the case that you talked about, where one of the three entities, say in the tri-State area, would actually operate as an independent body. To protect against that, we are saying it is our policy, whether there is an interstate compact or not, that the views of all the officials need to be represented in all of the jurisdictions which would be affected—State and local—prior to the actual award of the application.

Senator **Durenberger**. Your new policy will—and I am going to quote from it—"discourage special purpose planning organizations in favor of better consultation with general purpose governments." Is the reference to "special purpose planning organizations" a reference to "regional councils?"

Mr. **Wright**. No. It is not, Mr. Chairman.

Senator **Durenberger**. What is it then?

Mr. **Wright**. We are referring to agencies like the health planning agencies, and other special purpose functional planning organizations.

Senator **Durenberger**. The health planning agencies?

Mr. **Wright**. Yes.

Mr. **Kelly**. Health system agencies.

Mr. **Steinberg**. Aging agencies, areawide aging agencies.

Mr. **Kelly**. Again to elaborate on the issue, basically what we are attempting to do is to provide the opportunity where the Federal Government has, if you will, undermined the authority of local general purpose governments by specifying a federally prescribed body or board to actually conduct these local reviews. In many cases such bodies are not made up of predominantly elected officials. They are constituted in response to either Federal statutes or Federal regulations and can, in effect, bypass the local officials. We are saying it is clearly our policy to discourage and discontinue that, so that the central comprehensive planning unit which is made up of mostly locally elected officials can embody all of the activities that the Federal Government might be involved in in their area. This would eliminate exclusions and separate planning processes for health systems or other such special purpose activities.

Senator **Durenberger**. Let me be sure I understand this now. According to the material that I have read here, there are four States—and Minnesota is one of them—in which we have organized, in effect, general purpose governments into a cooperative arrangement through a regional development commission, or something comparable to that. I can understand your response to my question when you say that the agencies will not bypass the metropolitan council—for example, in the

Twin Cities area—or some other association of general purpose government in favor of an HSA or regional council or organization on aging. But, how about in the other 46 States where you might not have comparable kinds of organizations of general government which reach into health, aging, transportation, community development, and a wide variety of other agencies?

Does that mean that you are going to ignore the current system of regionalizing responses in special areas like health even though HSA isn't going to help, let's say, the States keep that process? In effect, then, you are going to discourage the States from continuing that process, and you are going to deal with each unit of local government separately? Would that mean some proposed discouragement or encouragement here?

Mr. **STEINBERG**. We are discouraging the creation of federally mandated special planning purpose organizations. If the State decides, within its borders, it wants to handle planning for such things as environmental control, health or aging with special purpose districts, then we are willing to work with the State in that mode.

Senator **DURENBERGER**. There are currently 500 or more areawide clearinghouses that participate in A–95. Do you have any idea how many are representative of general purpose local governments, and how many might be called special purpose planning organizations?

Mr. **STEINBERG**. I would say most of them are general purpose in nature. I don't have the exact numbers, but I would put most of them in the general purpose category.

Senator **DURENBERGER**. Let me get now to the heart of the revision that is being proposed. The principal requirement of A–95, as it is currently written, is a prescription to Federal agencies. They must consult with affected State and local governments before making grants that may have an impact on State or local development plans. The second requirement is that all of those who would apply for some 270 different grant programs must notify the statewide and areawide clearinghouses, if such organizations exist, before making the application. There is no requirement that statewide or areawide clearinghouses be established and that they do reviews. However, most places apparently have decided to have clearinghouses and to do reviews.

How does your revised policy affect this structure?

Mr. **WRIGHT**. Mr. Chairman, I don't see where they would be affected in any way. It would simply put less Federal requirements and less paperwork requirements on that structure.

Senator **DURENBERGER**. Let me take this one step at a time. First, prescription against Federal agencies. Currently Federal agencies are required to respect the A–95 process for some 270 grant programs. Who decides, under the current circular, which grant programs are covered?

Mr. **WRIGHT**. OMB in cooperation with the Federal agency, Mr. Chairman.

Senator **DURENBERGER**. Who will decide under the new policy which programs will be covered?

Mr. **WRIGHT**. The State and local governments will, under the new structure.

Senator **DURENBERGER**. Will OMB keep a list of which States want programs covered?

Mr. **WRIGHT**. Yes.

Senator **Durenberger.** Does OMB have any idea how well Federal agencies do in fulfilling the A-95 requirement "to consult?" Have you ever done any study or audit of their compliance with this requirement?

Mr. **Kelly.** Yes, we have, Mr. Chairman. In fact, over the last 15 months or so, we have done a very intensive study. We had informal studies which go back to about 1976. GAO also has done at least one study which we have reviewed in our recent study.

Basically, we feel the Federal agencies do not do as good a job as they could nor as good a job as was intended under the current circular. One of the reasons for that is because of the prescriptive manner in which the reviews have been required. We feel that if we, in fact, provide a clear indication that the States want to review certain programs and we manage the Federal agencies' compliance in responding to those, the Federal agencies will comply much, much better than has been the case in the past.

Senator **Durenberger.** I have just had the experience of sitting down with Alice Rivlin and talking to her about how she plans to implement the Fiscal Notes bill. I found out that she is strapped financially to do it. Let me ask you how you plan realistically to implement this new oversight role. Will you be requiring agencies to notify OMB every time they make a grant over the objections of State or local governments?

Mr. **Wright.** We really haven't thought that one through yet, as to exactly what the procedure will be.

Senator **Durenberger.** I won't explore it any further then.

Let's go to the designation of clearinghouses. Under the current policy, the Governor selects the statewide clearinghouse. He doesn't have to choose one, as I understand it. Pennsylvania recently dropped out of the process. Is there any change in this procedure under the new policy?

Mr. **Wright.** No, Mr. Chairman. The State will be officially determining how the clearinghouse will be designated.

Senator **Durenberger.** The Governor also designates clearinghouses in areas that aren't metropolitan SMSAs. Is there any change under the new policy?

Mr. **Wright.** No, sir.

Senator **Durenberger.** Would you please describe for me how clearinghouses are selected in metropolitan SMSAs under the current policy?

Mr. **Kelly.** Basically most of the clearinghouses under the metropolitan SMSAs were in place and officially operating prior to the issuance of the 1969 circular. What has happened after the issuance was, in effect, the Federal Government agreed that their designation was the proper designation for this operation.

The difference in our new policy, as compared to our previous policy is that, basically, we will accept the States' official designations of these areas rather than approve it. Under the current conditions we have actually gotten ourselves into approving designations and, more importantly, even approving changes of jurisdictions of the existing ones. Under the new situation we will not. We will be accepting the States' official designations as the official wishes of the State and local governments.

Senator Durenberger. So the Governor, then, has a lot of power under this, or the State—and I assume it is the Governor—has an awful lot of power with regard to metropolitan regions.

I take it, under current policy, that a Governor can say, "I don't want an areawide clearinghouse for this particular metropolitan region." I am curious to know whether, as a practical matter, over the last 10 or 12 years Governors have ever tried to do that, and whether or not they have ever been able to make it stick.

Mr. Kelly. I don't know of any case in which they have actually said, "No." They generally do not want to do that. However, one of the things which may seem to be a substantial difference, but is not really because it is very similar to our block grant approach, is that the language we intend to choose is that a State will officially designate the systems.

It is our judgment that most States will go through the legislative and the executive branches of government to coordinate that. Therefore, it provides a balance of power between the legislature as well as the Governor. In my judgment, what will happen is, that if the Governor would unilaterally attempt to withdraw, the State legislature would most likely have some say in that and vice versa.

Senator Durenberger. There are currently 500-plus areawide clearinghouses. You are going to issue some kind of a new—I think you have indicated, Mr. Wright—a new policy statement conforming to the Executive order. Are all of the areawide clearinghouses immediately out of business when the new Executive order is issued?

Mr. Wright. No, sir.

Senator Durenberger. Will some affirmative action on the part of State government be necessary to sort of reconfirm them, if you will; or, will they just continue in business until the State takes action to abolish?

Mr. Steinberg. Our plans, Mr. Chairman, are that as soon as possible, after issuance of the Executive order, we would meet with the agencies to do two things. No. 1, to start to develop regulations for implementing the Executive order and getting at some of the questions you were asking before about notification and enforcement and so forth. And, No. 2, the other issue is the question of what happens during the interim period during which State and local governments transition to the new policies.

One consideration in any planning is that many State legislatures don't come back into session until next winter. We hope to be able to move a little bit quicker than that. We have to define some mechanism by which the areawide planning organizations and the States can function during the period of time after A–95 would be rescinded and before the State legislatures come back into existence. We plan to base that upon consultations we get from the State and local governments and agencies.

Senator Durenberger. Do I read your testimony and your intent to be that the States will have to do two principal things in this regard? One, they are going to have to designate clearinghouses; and, two, they are going to have to tell OMB what grants they want covered. Does that pretty well sum it up?

Mr. Steinberg. I would say so. Yes.

Senator **Durenberger.** Are you taking any view, other than what you indicated earlier, on the role of the legislature as opposed to the role of the Governor in this redesignation process? I think Jim made some assumptions about how legislatures operate. Basically, what is your view on the role of the legislature, vis-a-vis the Governors, in the process of redesignation and the decisions about the grants?

Mr. **Kelly.** We feel strongly about the fact that the designation should be an official State designation. However, we also feel strongly about the fact that the Federal Government should remain neutral with respect to the executive versus the legislative arguments in State governments.

In States where, in fact, the official State action requires the involvement of the State legislature, we expect and are encouraging State legislatures to actually play a role.

If the State legislature does not have an official role to play because of current laws or constitutions within the State, then the Governor would be free to do that. However, we are not specifically calling for the Governor nor the State legislature to take the action. In fact, we are asking for the official machinery of the State, as it is now called for in the Constitution, to generate a decision.

Senator **Durenberger.** One thing you are going to do, as I understand it, is give the States and the State legislatures a particular time to react to what is the most appropriate way—to indicate how the State wants to go about the process of designation. The State legislature may want to switch from current authority, which might be just an Executive order by the Governor, to a specific statute. You are going to accept either depending on what happens to these State laws by a particular time. I understand you are going to give the States some time to come to the conclusion about what they actually want the State role to be. Is that correct?

Mr. **Wright.** Yes. All we are doing is giving the State legislatures time to meet to consider that decision if they wish.

Senator **Durenberger.** Under the current policy, the Federal Government does not dictate the procedures of the clearinghouses, except as to the length of time that they have to review notifications and applications. It seems to me we have a problem here. It would be natural for a Governor to give his statewide clearinghouse as long as it wanted to get the review out the door and on the way to the agency.

Are we going to continue the rule that says the designated clearinghouse has 30 days on a notification and 30 days on an application? Or, are we going to give them as long as they feel like taking?

Mr. **Wright.** No, Mr. Chairman. We will have to develop some guidance as to what the time limit will be.

Senator **Durenberger.** You have not yet made that decision?

Mr. **Kelly.** Mr. Chairman, that may well be program dependent. The exercise that we intend to go through in the process of developing the Federal agencies' implementing instructions and regulations will help identify specific programmatic requirements.

We plan to consult with the State and local governments as to which programs they want covered and how they want those covered. We will then be instructing the agencies to identify any unique situations within programs, such as special time constraints—either longer or shorter—so that we don't generalize the problem in just saying 30 days or 45 days for the Governor, or 60 days for the complete review.

Senator DURENBERGER. Let us now assume the State wants no part of A–95 in the future. Both the Governor and the legislature refuse to take action to participate in the process. However, within that State there is a metropolitan area with a regional council of elected officials who want to do A–95. Do those local officials have any option under your proposal?

I bet you are wishing John Warner would walk in about right now. [Laughter.]

Mr. WRIGHT. Mr. Chairman, this is the touchy area that we were talking about this morning. We don't expect that there will be States that will not take advantage of the new policy. However, if there are, then we are going to have to be able to provide some opportunity for local governments to be able to respond. Exactly how that is going to be done, I am not sure.

Senator DURENBERGER. Maybe I can make the job a little bit easier by following on and reading to you from section 401(B) of the Intergovernmental Cooperation Act:

> All viewpoints—national, regional, State, and local—shall to the extent possible, be fully considered and taken into account in planning Federal or federally assisted development programs and projects. State and local government objectives, together with the objectives of regional organizations, shall be considered and evaluated within a framework of national policy objectives.

That seems to me to be pretty strong, if we are asked to change the affirmative commitment on the part of Federal agencies to seek and respect the views of local governments and regional organizations.

I take it you would agree with that?

Mr. WRIGHT. Yes, Mr. Chairman. We would be more than happy to consider language you would like to suggest and take a serious look at it. This is one of the areas about which we are concerned.

Senator DURENBERGER. It seems to me you have two choices here. Either we can change the law so that the obligation to seek local views is somehow conditional on State consent, or allow an option for some form of local participation in the event that a State takes no action to facilitate it.

If you haven't considered the local option yet, maybe we can sit down and try to work out some language.

Mr. WRIGHT. We would be happy to.

Senator DURENBERGER. I think there are probably more questions that might need to be asked after this hearing is over. However, I appreciate the fact that we brought this hearing on at a time which is sort of right in the middle of your consultation process. It is probably not the most convenient time for you to be discussing A–95 in a public forum.

I do appreciate your frankness in responding to the questions we have posed.

It seems to me that one of two futures is possible for A–95. On the one hand, it might just wither away. State and local officials might perceive this revision of yours as a part of a withering process—as we in Washington see various things being characterized these days. It could be a clear signal that this administration considers A–95 to be just another government regulation. I think it could have that kind of an effect. There is the implication that it is just another government regulation which pushes a Federal view on the rest of the country, and, therefore, ought to be gotten rid of. I think it could have that effect on people.

On the other hand, this revision might rejuvenate A-95. It might make it a really good, aggressive tool to put in the hands of State and local governments. It might be that all of the 500 clearinghouses are redesignated, and even more than 270 programs are covered in the future. It might finally appear that A-95 is the process of allowing State and local governments to push their views on the Feds rather than the other way around, if we go about this in the right way.

My problem is that, from all the material I have read from OMB so far, I cannot tell which direction you would like us to head. Whether you want us to go into the withering business, or you want us to go into the rejuvenation of State and local governments business.

I don't know if that will be decided just by the promulgation of the Executive order. It seems to me that it is up to you in OMB, in the implementation of the Executive order and in the work of your management division, to make it clear what it is that we intend to do with A-95.

From my discussion with State and local officials—and I think John would reflect this, too—none of them have any doubts about the importance of consultation before Federal action is taken. They do, however, have some doubts about A-95, as you pointed out in your statement. It just isn't clear that the Federal agencies pay any attention.

So, if you give them a circular that works, even though there is a little redtape with it, I don't think it is going to seem quite as burdensome to them—especially if you have also made it clear that OMB respects the process and that A-95 is a vital part of making our Federal system work.

So, I just give you that as a piece of advice at the end of your testimony. I extend to you my appreciation for all the efforts that you have put in over the last 15 months, and some suggestions about how to portray what you are doing to those who are most affected by it.

Thank you, very much.

Mr. WRIGHT. Mr. Chairman, if I may say one thing. This is definitely not a withering process. We are spending the time on it because we think it is fundamental to the success of the New Federalism program.

We also appreciate the opportunity to come and testify in the middle of the process because we, like you, want to make sure that it works.

Thank you, very much.

Senator DURENBERGER. Thank you very much for your testimony.

[The prepared statement of Mr. Wright follows:]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FOR RELEASE ON DELIVERY
Expected at 9:30 a.m.
Monday, April 26, 1982

STATEMENT OF JOSEPH WRIGHT DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET BEFORE THE SENATE SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS, COMMITTEE ON GOVERNMENTAL AFFAIRS ON PROPOSED STATE AND LOCAL REVIEW POLICIES

Good morning, Mr. Chairman and members of the Subcommittee. I am pleased to be here today to discuss our proposal for improving the intergovernmental coordination process now contained in OMB Circular No. A-95. A-95 was added to the agenda of the Vice President's Task Force on Regulatory Relief last fall. The changes we are proposing were based on an assessment of existing policies and discussions with a broad range of officials in the intergovernmental community as well as the federal officials in the agencies and congressional staff offices.

Problems with the Existing Circular

We have recently completed an in-depth review of the policies contained in A-95. The discussions we held leave no doubt about the strong interest that exists among state and local governments in providing them an opportunity to comment on planned federal actions that affect them. Although there is unanimous agreement with this concept, there is also a recognition that the procedures embodied in A-95 are not working well at any level of government. We are, therefore, proposing to make major changes in how this intergovernmental consultation process is carried out. My testimony addresses these proposed changes. We believe that the changes are consistent with the Administration's federalism principles and significantly improve the intergovernmental coordination process now called for by A-95.

There are a number of reasons why A-95 is not working as well as it should. The federal government has prescribed, in detail, the manner in which state and local reviews are to be undertaken. This prescriptiveness has emphasized procedures over substance to the extent of setting forth timing requirements and dictating the nature of the reviews. The federal government also dictates to state and local governments the programs that must go through the review process.

The A-95 system has become paperbound. Federally mandated program coverage has grown from some 50 in 1969 to over 270 programs today. This coverage generates the processing of over 100,000 separate federal assistance applications a year through the system. A large percentage of these applications are of little concern to state and local officials, thereby detracting from their ability to focus on those of major importance to them.

The credibility of the current system is suffering. The sheer volume of paper flowing through the system has caused the quality of reviews to deteriorate. In part, this leads federal agencies to pay less attention to the views communicated to them. This lack of federal response to state and local comments further exacerbates the quality of reviews, which then adds further to the agencies' unwillingness to participate. In addition, due mainly to a lack of early federal consultation, many of the reviews are not timely, occurring after program plans are in place.

Having said all this, we are aware of the fact that some state and local governments have review systems that work well. We also recognize that in some states, there has been strong regional coordination and that this has been associated with A-95. We believe, however, that where either of these conditions has occurred, the success is generally attributable to the strong interest state and local officials take in regional review and coordination and their cooperative efforts to make the system work. In fact, I would suspect that the federal prescriptiveness and procedures of A-95 have not been the determining factor. Otherwise, the high level of regional coordination and cooperation that exists in your state, Mr. Chairman, and certain other parts of the country, would exist in other states as well.

How We Arrived at our Findings and Proposed Changes

As stated, we have been discussing A-95 extensively over the past year with state and local officials, their interest groups, the Congress and the federal agencies to determine what is wrong with the present Circular, and to solicit suggestions on what can be done at all levels of government to correct the problems. Specifically in this regard:

- o We consulted directly with state and local officials and their staffs, both in Washington and throughout the country. This was done through private meetings as well as presentations at major conferences of the National Association of Counties, the National Governors' Association, the National Conference of State Legislatures, the League of Cities, the U.S. Conference of Mayors, the Council of State Governments, the National Association of Regional Councils, and the National Association of Development Organizations.

- o Since it was well known that we were considering changes to A-95, in the last several months we received over 120 unsolicited letters from state and local officials stating their views and suggestions regarding needed changes. While the great majority support the A-95 concept, most of these officials state a belief that improvements of some kind are needed to make the state and local officials reviews of proposed federal actions more meaningful. One type of improvement most commentors identified is stronger direction to federal agencies regarding their implementation requirements.

- In addition to formal correspondence, the Office of Management and Budget has received at least 100 telephone calls from state and local officials who wanted to discuss the status of OMB's review, and suggest new policy directions and other changes.

- As recently as March 26, White House and OMB officials conducted a working meeting with staff members of the various state and local interest groups to discuss the details of our progress in reviewing A-95 and in developing new policies that the Administration is considering as a replacement for the current Circular.

- At the federal level, we consulted with members of your staff and the staff of the full Committee over the past several months; and we discussed the problems and potential changes in the Circular with several of the federal agencies involved.

Our assessment of existing A-95 problems and our recommendations for change have been developed from all of the ideas and suggestions received.

In addition to the consultations, we conducted an analysis to determine the type and extent of state and local coordination mechanisms that are now in place around the country to review planned federal assistance actions and other related federal governmental activities. This analysis drew on reports developed by the Advisory Commission on Intergovernmental Relations and the National Conference of State Legislatures. In our analysis we found that:

- 44 states now have officially put in place statewide systems of substate, multi-jurisdictional planning. Of these 44 states, 19 have done so through state statutes; the others through Executive Orders.

- 33 states now have state statutes or administrative policies under which either the state executive or the state legislature reviews state-level agency grant-in-aid applications for federal funds.

We have provided your staff with a written summary of our analysis, including backup tables.

This latter information is significant as it shows that since Circular A-95 was promulgated in 1969, state and local governments have developed extensive machinery for conducting their own planning and grant coordination activities. This would suggest that it is now time to move from the detailed and prescriptive federal procedures that were intended to guide state and local government review processes, to a minimally detailed and non-prescriptive, yet explicit and commanding statement that builds on the strong foundation that state and local governments have or are able to put in place.

Our Proposed Changes

We propose to rescind the existing Circular and to issue new policies that are consistent with the Administration's Federalism principles and aimed at overcoming the basic weaknesses in the existing Circular.

The basic principles upon which these policies will be based are:

- o State and local governments should have every opportunity to review, comment on, and influence proposed federal actions affecting their jurisdictions. These opportunities should be provided as early in the program planning cycle as is reasonable possible.

o State and local governments should be given total latitude as to how to design and operate their review and comment processes and to determine the programs they need to review.

o Federal agencies should recognize the officially designated review and comment process in those states that choose to participate.

o Federal agencies should make every reasonable effort to accommodate state and local concerns that are communicated through such review and comment mechanisms.

o The federal government's policies should aim toward strengthening state and local general purpose governments, as opposed to special purpose federally mandated organizations and agencies. Under this principle, for example, the federal government would discourage the reauthorization or development of new legislation that encourages continuation or expansion of federally prescribed special purpose planning organizations that may undermine the state and local general purpose governments.

o Federal agencies would be encouraged to utilize state and local planning systems to meet federal planning requirements whenever current statutes allow. For example, the federal government would make every effort to simplify existing prescriptive federal planning requirements now imposed on state or local governments that duplicate state or local planning. The federal government would also look for opportunities to allow states to substitute their planning systems when they meet federal requirements, and when federal statutes allow such substitution.

- The federal agencies should provide for coordination of the views of the elected officials in the different states when the impact would be interstate.
- The federal government would assure that its regulatory relief goals are met in developing future federal requirements to carry out the new intergovernmental review and comment policies. The Office of Management and Budget would carefully review all agency implementing regulations through its current regulatory review authority under E.O. 12291.

Status of Current Efforts and Means of Implementing Our Policies

This brings me to the status of current efforts and means of implementing our policies.

State and local comments are continuing to come in. The White House Office of Intergovernmental Affairs is still receiving some suggestions from state and local interest groups and their constituents. OMB will soon be seeking further views of the federal agencies. We very much value these hearings as they provide an opportunity to gather suggestions for the federal policies.

With regard to the issue of how to promulgate these policies, we have considered a revised Circular, a Presidential Memorandum, and an Executive Order.

Of the means of implementation available, an Executive Order would provide the highest level of visibility and demonstrate the strongest support of the President. As I mentioned earlier, one of the major recommendations of all state and local officials has been to strengthen the direction to federal agencies regarding responsibilities. Promulgating the new policies through an E.O. would give a very clear signal to federal agencies and to state and local governments as to how serious the President is about the need for state and local suggestions on proposed federal actions and federal responsiveness. These attributes outweigh any of the factors associated with other forms of promulgation.

In closing, let me express our appreciation to this Subcommittee and its staff for their interest in this subject. Your continued interest and oversight will prove invaluable in revitalizing this important intergovernmental initiative.

If either I or my colleagues can answer any questions, we would be pleased to do so.

Thank you.

Senator **Durenberger**. I have just been informed that John Warner is on his way. I take it the three witnesses for our regional panel are here. So, I invite the three of you to come and sit at the table. Please leave one microphone free for John.

The three witnesses on our regional panel are: Roger Swisher, mayor of Kernersville, N.C., testifying on behalf of the National Association of Regional Councils; Charles Weaver, chairman, Metropolitan Council of St. Paul, Minn.; and Cliff Graves, county manager, county of San Diego, Calif.

Welcome and good morning.

If we could start with Mr. Swisher, with the understanding that we may—at the conclusion of one or the other of your testimony—introduce the Senator from Virginia.

Mr. Swisher?

TESTIMONY OF ROGER SWISHER, MAYOR OF KERNERSVILLE, N.C., ON BEHALF OF THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS; CHARLES WEAVER, CHAIRMAN, METROPOLITAN COUNCIL OF ST. PAUL, MINN.; AND CLIFF GRAVES, COUNTY MANAGER, COUNTY OF SAN DIEGO, CALIF.

Mr. **Swisher**. Mr. Chairman, let me congratulate you first on what I find to be a very knowledgeable presentation. I have been to these committee hearings before and sometimes I have been a little bit dismayed about the versatility and the knowledge of the persons conducting the hearing. So I am pleasantly surprised at your personal knowledge of the affairs that we are here to discuss today.

I feel a little bit inferior myself, in being here, because I have been out of the system for the past 2 or 3 years, and I am here as a substitute, pinch-hitter, whatever you want to call it.

I am Roger Swisher, mayor of Kernersville, N.C., the little town between Winston-Salem, Greensboro, and High Point in the middle of the great State of North Carolina. I am a member and past president of the National Association of Regional Councils.

I have a statement which has been presented. I will go through and hit some key points of it.

I was particularly interested in some of the testimony that was just brought in here by the gentlemen who preceded us. If I may, one of the things I found of particular interest is that they were discussing the particular points that they brought forth.

One of the things that I remember so well from the campaign of our President, Mr. Reagan, was that he said in one of his talks, "If it ain't broke, don't fix it." I submit that that is an excellent point to remember when you are working with the A-95 review process. I have been with the A-95 review for the past 10 or 12 years, working in various positions. I found the A-95 review to be a remarkable thing.

Another thing I would point out to you which I picked up in this discussion was, I believe these gentlemen said they had received 120 letters from throughout this great United States in opposition to the A-95 review. If you can only manifest 120 letters out of the great United States, in opposition to anything, then whatever is happening must be going well. It must be done right. There are over 400 communities in the State of North Carolina; we have 100 counties. So 120 is an insignificant total out of the massive United States.

The National Association of Regional Councils (NARC) has a keen interest in any examination of the A-95 process. Most of our 350 members have been designated as areawide clearinghouses.

As you know, NARC has been working with OMB for over the past 2 years and through two administrations to sculpt a more efficient process, one that has more teeth in the compliance area. The draft proposal that OMB is now considering would require Federal agencies to comply with the new process and would, therefore, have more teeth. We applaud the strengthening of the process.

We also strongly support language in the proposal which illustrates a clear preference for Federal planning assistance to move through multipurpose planning organizations representing general purpose local governments. That is where it is. That is where we are coming from. We have long advocated the use of multipurpose organizations and discouraged the creation of special purpose organizations with prescriptive board requirements.

However, we do have some major problems with the draft as submitted. It proposes that Federal agencies be required to recognize State defined processes for review and comment. Should a State be inclined to set up such a system, there is no provision to allow the local governments the option to do so in their communities. We do not object to a stronger State role, per se. Obviously, the involvement of the States in the process in an affirmative role will provide intergovernmental cooperation at all levels. However, there is no assurance, as you pointed out, that each State will embrace this approach.

As you have noted, Mr. Chairman, in the questions that you have raised in your interrogation, title IV of the Intergovernmental Cooperation Act and section 204 of the Demonstration Cities and Development Act clearly mandate that this responsibility cannot be vested exclusively in the State. Until today, the proposed OMB policy would make local governments and their regional agencies' participation in the review process conditional on State participation. This is inconsistent with title IV.

The solution to this practical and legal issue is simple. We have proposed to OMB that, if the State refuses to establish a process, then local governments within that State should be allowed the option to maintain a review and comment process through their existing regional clearinghouse. Of course, we recognize that even this option could be foreclosed if State law is enacted to prohibit such local participation. But absent such State policy, we believe the local option approach should be available.

Local option is now under consideration according to Mr. Wright's response to the chairman's questions. Previous understanding up until now was that there would be no real local role spelled out. NARC has advocated local option for many months and we applaud OMB's recognition of this on this morning.

We are also concerned about the unique problems of interstate areas. You addressed that. This is not adequately addressed under the

OMB proposal. The draft proposal would have Federal agencies coordinate the comments of affected jurisdictions of interstate areas. In our opinion the only adequate approach to the interstate issue is for the Federal Government to recognize the designated metropolitan clearinghouse in each interstate area for review and comment purposes, if States do not designate such a locally based organization themselves. Mr. Chairman, we ask this subcommittee to work with OMB to assure that any proposed revisions to the review and comment process be published in the Federal Register for a 30- to 60-day public comment period. We understand that there is some uncertainty about this at OMB. I think that was clearly shown this morning.

Last, we strongly urge the subcommittee to work with OMB to assure that local government concerns are reflected in this important effort. There is a strong philosophical motivation to drive the administration to make this review and comment review revision as simple as possible. While we support the effort to cut redtape, we submit that we cannot be more concerned with the length of the policy than we can be with the developing of reasonable and reflective public policy which attempts to address the concerns of all the partners in the intergovernmental system.

The Federal Government cannot abdicate its responsibility to establish a Federal review and comment system that sets out roles for both State and local government.

Mr. Chairman, we have other concerns which are covered in my written statement which I am submitting for the record.

Thank you, sir.

Senator **Durenberger**. Mr. Weaver?

Mr. **Weaver**. Mr. Chairman, I am delighted to be here. We, of course, are extremely concerned with the whole question of the provisions in the A-95 review process. My original concern in reading the new recommendations, as we have it, was not so much that the State would be given the responsibility to do it, because we feel that probably the State of Minnesota would respond to the regional concept of the A-95 review. We were very concerned that the question of the involvement of regional agencies might be precluded by the lack of their inclusion in the recommendations. I guess that was one of our biggest concerns.

As I indicated after hearing OMB's testimony, some of my reservations are a little bit relieved. On the other hand, there is some confusion. I certainly understand the difficulty in implementing a revision like this and in answering some of the very good questions which you proposed to the representatives of OMB.

We think that the process is working extremely well in Minnesota, particularly in the Metropolitan Council area. I am the Chairman of the Metropolitan Council. We think it has saved very substantially in the expenditure of money in the processing of Federal applications, and that it has truly resulted in a very careful examination of the Federal projects and a very wise use of Federal dollars which, obviously, is extremely important to all of us.

The second point I would like to make—in addition to what is, to us, a very adequate statement—is that I think this really is one of the keys to the implementation of the New Federalism, no matter what form it takes. In our particular metropolitan area, we have 195 local units of government. I cannot imagine anything that would result in greater chaos—in the attempt to implement the New Federalism—than having all 195 of those individual units of government attempting to compete for Federal funding, no matter what kind of funding, without some kind of coordination and interaction between themselves and some regional agencies, reporting some well defined policy.

In the metropolitan area, after the institution of the Metropolitan Council by the legislature in 1967, we spent several years working on the development of guides and various policies on waste control, airports, transportation, health, aging, and several others. Then in 1976, when our land planning act was passed, we sent out system statements to each unit of government and they were aware of those policies. We said to each of those units that this is what we think is going to happen in these particular policy areas, in the area of jurisdiction. According to that system statement, they were required to respond to us with a comprehensive plan, which they have now done. Our policies, which were developed during that period of time, and the comprehensive plans which have been developed by the local units of government, are the basis for the A-95 review. It has worked extremely well.

Each year we process between 800 and 1,000 A-95 reviews. We do most of them within 30 days, all of them within 45 days. We do that after consulting with the local units of government and all other parties involved. In other words, when we get an application for an A-95 review, we immediately send that application to the people involved—all of the local units of government and the surrounding units of government. Then the A-95 review is compared to the policies and the comprehensive plans in those various areas and the recommendation is based on that.

I think the perception very often is that the A-95 review is used to obstruct. It is our feeling at the Council that, if we have negative comments on a large percentage of our A-95 reviews, we are really not doing the job. As a matter of fact, we try to do just the opposite. We do the opposite.

The reason it works out that way is because every unit of government in the metropolitan area has participated in the formulation of the policies. They obviously have done their comprehensive planning. They know against what we are comparing that application. They know what we are looking for. Therefore, after they are notified of what someone else, for example, is using in an adjoining community for an application and for what they are applying, they know what we are going to be looking at when they come to the Metropolitan Council. Therefore, most of the problems are ironed out in the negotiation, or they aren't brought in in the first place because they are well aware of what is going on. So, to us, it is an extremely important tool.

Sometimes, I think, this subcommittee or OMB receives letters directly from the Metropolitan League of Cities overwhelmingly asking to retain the A-95 review process in the metropolitan area. Also, we hear from the local units of government who are very concerned about the process. Basically, their reaction was, "Look, we are involved in the formulation of those policies when the Metropolitan Council adopts them. We are aware that we can change those policies and will be involved in the input and change." When an application is made, they can appear at the Metropolitan Council and make their case. They know who is making the decision.

If you have purely the State level or the Federal level review or action on those applications, you simply are not going to know what policies the proposals are being judged against other than the basic rules. And, you are not going to know who is making that final decision.

We feel very strongly about A-95. We think it is a very good process. It will work very well.

Senator **Durenberger**. Thank you.

Mr. Graves, welcome. Thank you, very much, for being here today.

Mr. **Graves**. Thank you, Senator.

I am pleased to have the opportunity to present to the subcommittee the position of the San Diego County Board of Supervisors on the present and future needs for the U.S. Office of Management and Budget Circular A-95. This is an issue of particular interest to me.

From 1974 to 1976, I was Deputy Associate Director of the U.S. Office of Management and Budget. Prior to that I was Deputy Assistant Secretary of HUD. In both of those capacities, I was intimately involved in the A-95 process. At that time I was a strong proponent of the A-95 process. I was convinced of the need for the Federal Government to provide a strong mandate for intergovernmental cooperation and coordination. There were two basic reasons for my strong support of the A-95 process at that time: (1) the explosion of Federal categorical grant programs, and (2) the lack of State and local governments' capacity to deal with the intergovernmental dimensions of regional issues—and, frankly, the lack of the Federal Government's capacity to get its own house in order.

Today, however, I share the San Diego County Board of Supervisors' position that Circular A-95, in its current form, is no longer necessary or warranted. In the county's opinion, the local clearinghouse function in our region has gone far beyond the original purpose and intent of A-95. Using primarily Federal funds and the Federal A-95 mandates to justify its role, our local clearinghouse has become a strong staff organization which wields significant political power. It is the Board of Supervisors' sincere opinion that the clearinghouse wields this power, not to encourage cooperation, but to build a staff power base and constituency by kindling discord among local agencies and community organizations in the region.

I would like to take a few minutes to give your subcommittee some specific examples of why San Diego County is concerned with the present A-95 process, and how it is being used in our county. These examples, I believe, will help your subcommittee understand the county's position that the current A-95 process should either be dismantled in total or, at least, be subject to major revisions for the purpose of reducing the big bureaucracies it has created.

My first point regards the recent trend at the Federal level toward block grant, rather than categorical grant, assistance to the State and local governments. San Diego County has supported this trend. The block grant approach provides needed authority and flexibility to the State and local governments. With dwindling revenue resources and less and less actual spending power, State and local elected officials must have this flexibility. We must have the authority to spend the dollars available according to the priorities and needs of our respective communities.

We note that almost every block grant program enacted by Congress has contained its own guidelines and requirements for State/local coordination, as well as for citizen input. In this context, the requirements of A-95 have become redundant and superfluous. This is the primary reason for our position that Circular A-95 should be dismantled.

Second, I would like to point out to your subcommittee that San Diego County is a single county region. The county is classified by the Federal Government as a single county standard metropolitan statistical area [SMSA]. It is also designated by the Governor and State law as a single county planning area. As such, our Board of Supervisors is a regionally elected governing board with regional responsibilities for air quality, criminal justice, human service and solid waste functions.

A-95 in its current form, however, gives no recognition to the legitimate regional role and nature of our county government. In fact, San Diego's A-95 clearinghouse, or areawide planning organization—whichever you care to call it—continually attempts to extend its power and authority into areas which are legitimately the county's sole responsibility.

I am aware that San Diego County is an exception rather than the rule among metropolitan areas. The Intergovernmental Cooperation Act and Circular A-95 were designed to deal with multicounty and multi-State areas where no single institution existed with general purpose authority of a regional dimension. Our situation illustrates the problems of applying national models at the local level.

For example, the San Diego A-95 clearinghouse annually submits applications for Federal and State moneys to perform human service planning, a function which is clearly the county's legal responsibility. So we find ourselves competing with that clearinghouse in covering the same jurisdiction for a limited amount of dollars.

We have a similar situation in the air quality area as a single county air basin. My board is also the board of directors of the air pollution control district. We must share a designation with the areawide planning organization. We find ourselves at loggerheads quite frequently over those important issues.

I might note that these and other examples, which are in my statement, are not directly related to the A-95 process. In my judgment, the designation of that organization as a clearinghouse gives it the leverage to get into areas I don't believe were intended when this was set up.

My third concern has to do with fiscal and program accountability. In most cases, and the Metropolitan Council is certainly an exception to this, areawide planning organizations have no direct accountability to the taxpayers for the millions of dollars of public moneys they spend. In San Diego, that planning organization's budget is down slightly from a high of $4 million a few years ago. However, given the dramatic decline in revenues available to the county as well as to the cities, from Federal, State, and local sources, that is a lot of money. We question whether continued expenditures of this sort are really necessary.

Most of the regional planning objectives of A-95 and other Federal programs have been accomplished. The San Diego Association of Governments—and I give the organization credit for this—has done an excellent job in developing regional plans. We acknowledge that these plans require periodic updating. However, with the reduction in Federal, State, and local revenues for operating programs, such as transportation, there must be a corresponding reduction in dollars spent for related planning programs; and where these are devoted to programs of separate organizations, they should be subject to even greater scrutiny.

My final point is that the original and key purpose for Circular A-95—that is, interagency coordination—in my judgment, is going to be achieved without Federal mandates. Prior to the adoption of the circular, there was little planning, resource allocation, and coordination among Federal agencies and between Federal, State, and local agencies. The A-95 procedure had to be very rigid and strongly enforced. Now, however, coordination is a way of life. Given the current fiscal crisis in government, we at the local level realize that working together is necessary for survival, regardless of Federal requirements.

We would point out to you that meaningful coordination in our area, and I suspect in many other areas, is occurring outside of that process. For that reason, if A-95 were to disappear tomorrow, many of the clearinghouses would continue to function and other arrangements, probably more simple, would be put in place to carry out that purpose.

So, again, I would like to reiterate that my own personal experience has led me from the position of a key proponent of A-95 to total agreement with my board's position—that it is no longer necessary. At this point, in my judgment, the negative aspects of the process are beginning to outweigh the positives.

Thank you, very much, Mr. Chairman.

Senator **Durenberger**. Thank you.

Let me start with my questions to Mr. Swisher. The issue I would like to start exploring is the local option issue.

As OMB has defined the concepts for a new A-95 policy, the States are supposed to be in control of designing the comment process. If a State chooses not to do anything to replace A-95, there apparently will be no requirement that Federal agencies seek reviews from regional planning organizations within that State.

Do you think it is likely that States will completely opt out of the process, even if it has strong support of the governments of the metropolitan or the rural regions? What is likely to happen?

Mr. **Swisher**. I don't really think they would opt out of the process. I feel that there would be State involvement—certainly in the State of North Carolina.

One of the things that Mayor Carver will address is a strong point that I feel and am personally involved in—that is, you do need local elected officials dispensing the Federal funding. In the State of North

Carolina, in all the regional councils with which I have worked, only local elected officials are part of the voting council. I am totally unfamiliar with some of the problems that the mayor addresses. I am unfamiliar with people who don't have to be responsible for the budget in expending the money. In my State if you are not elected, you don't serve on the regional councils. I feel very strongly that that is the American system which should be there.

On the question you asked, I think you will have chaos in a number of States, and perhaps in my own State, about whose responsibility it really is to establish a review process. Is it going to be the legislature's responsibility, or will it be the Governor's responsibility? There will be a strong tug of war between the two entities there.

Our Governor is a strong Governor. He is strongly for the regional council concept. I feel that he would be open and would review the process that you have mentioned. However, the State legislature also would like to have the responsibility of being able to say, "We are going to help you dole out this money." So, you have a problem.

Senator **Durenberger**. Where else would you find a situation such as the one Mr. Graves has described in San Diego where, in effect, you have competing representatives of local government in the process? Is that at all prevalent around this country?

Mr. **Swisher**. I suppose there is some—when you are looking for cookies, and you are going into the barrel. I suppose there is always going to be some people who will have some competitiveness within the system.

However, if you have a strong council and if you bring this A–95 review process before all the council and they sit down and negotiate, I think, as you mentioned, they will work out the problem. Everybody is aware that there is only so many dollars available for expenditure. Then, I think, you have the review process that the people know works best. They will work it out amongst themselves.

Really that is what I have found in my council, in my experience. That has been what we have done.

Senator **Durenberger**. He will probably explain this to us in more detail. However, what I think I read without knowing it is that there are situations where county governments represent the larger part of the metropolitan area. Within that county there are, obviously, a lot of local government entities—in other words, municipal entities and others, I take it. There seems to be a conflict between the county supervisors or county commissioners—or whatever they may be called in San Diego County—and mayors, councils, and so forth.

I am curious to know whether or not that is a situation which has occurred in other parts of the country. Does NARC have any recommendations for us with regard to how the process might reflect that kind of reality?

Mr. **Swisher**. It is not something of which I am personally aware. Within the councils with which I have worked, there has been great rapport among the various people who represent the county or the city governments. Maybe I am in a unique situation. Perhaps it is because of the balance in the size of the communities that I work with—the city-county communities being virtually of the same strength in numbers. However, it is not something of which I am personally aware.

I also have not found this competitiveness to be true on the national level when I was working with the National Association. I did not find that to be true.

Senator DURENBERGER. Assume that the cookie jar has fewer of the kinds of cookies that we want in it, as you have described it, and as Mr. Graves and others have pointed out in terms of the realities of what might be happening. Suppose you have a situation where just government at the local level doesn't want to be part of the A-95, or some governments just don't want to be part of the A-95 process whereas others do. If you haven't given any thought to how this new process which is being developed will address that issue, I am curious to know whether or not you would be willing to work up some—by you, I mean NARC—would NARC be willing to work up some language relative to the local options that would be helpful to the subcommittee?

Mr. SWISHER. We would be happy to do that. NARC is available to give whatever input it can to this subcommittee.

Senator DURENBERGER. Chuck, from what I have heard, it sounds as though the revisions OMB is contemplating will not have a great deal of impact on Minnesota. However, I do have one concern. It sounds to me as though the States will be designating the clearinghouses and will also be determining which programs they want covered by the clearinghouse function. The States will send that information to OMB, and from there to the agencies. Each agency will then have to let, in our case in the Twin Cities area, 195 units of local government know which programs are covered by A-95.

The list is likely to be one set of programs for Minnesota and some other set for some other place. Again, looking at this in terms of the national perspective, does that sound to you like something that is going to work?

Mr. WEAVER. I think it will be terribly cumbersome, not only for the Federal agency but also for us.

My other concern comes from the OMB testimony—that is, what happens if the circular or the amendment goes into effect right now? I think that the State of Minnesota, as far as the Metropolitan Council is concerned, would react favorably. I think we would still be designated, but "How?" and "When?" I am not sure what mechanics for the redesignation process are being contemplated. Part of their testimony really bothers me. It seems to me they were saying, "You are ended as of this minute when this is adopted." Apparently, there really isn't any designated procedure for the reestablishment of that yet. There is going to be a hiatus that will be very difficult.

Senator DURENBERGER. From your experience, are there Federal grant programs which aren't currently included or covered by A-95 which you think ought to be designated for coverage in the future?

Mr. WEAVER. Mr. Chairman, I can't name any that are not included now that I think should be included.

Senator DURENBERGER. Would you feel that you have any more or any less leverage if the State, rather than the Federal agency, is making the determinations about which programs are covered and which ones are not?

Mr. WEAVER. Mr. Chairman, I am sure that varies from State to State. I feel that we have always had an excellent relationship with the legislature and with the administration. Obviously, that can change.

I do have a strong feeling for uniformity. There are all kinds of hybrids that could come out from State to State. It seems to me that these hybrids will make it very difficult for the Federal agency, unless there is some kind of continuity at the Federal level.

Senator DURENBERGER. You emphasized in your written testimony—and I guess I know from practical experience—that one of the important effects of A–95 is stimulating horizontal communication between neighboring governments on the issues that affect them jointly. Do you think that it should be a Federal purpose to encourage such communication, or even come close to mandating that kind of communication through a process like A–95? Or, should we just leave the appropriate communication process up to the State and local governments, and let them work it out?

Mr. WEAVER. Certainly, in our case, Mr. Chairman, it has worked very well. I think, obviously, this is the key to the implementation of the New Federalism. It is terribly important, it seems to me, to deliver those programs as cost effectively and efficiently as possible. I don't know how that can be done unless you are delivering those services based on some kind of policy which has been established within the area. I think that intergovernmental cooperation is terribly important. I think it is very difficult to get, unless there is some catalyst bringing it together. I am sure the objection is, "Do we want to mandate cooperation?" Nevertheless, it does get everybody thinking along the same line.

In our situation, where they have all adopted comprehensive plans, they are all aware of the policies; they are all playing the same game; and they are all aware of what each is doing. That has been the result, principally, of the reaction to the A–95 review policy.

Senator DURENBERGER. That suggests a question I should ask of Mr. Graves. The most difficult part of defining the New Federalism is that we started a year ago with budget reductions and we haven't been let up off the ground since then. So the whole notion of finding a better way to meet the needs of people through State and local governments and delivery systems brought in through the local governments somehow always gets colored. It is colored by the concerns of persons who have spent a lot of time developing a categorical federalism. One of their concerns has been whether or not the special needs of individual people can be met through some changes in this process. It has continually occurred to me that some kind of a process like A–95 is an appropriate way for us to address those concerns.

What I hear all the time is that you can't trust State governments. "We were there 20 years ago. They turned us down. That is why we are here today," meaning in Washington. I hear that a great deal from county supervisors, mayors, city council members, and people like that.

There is a real concern out there for the fact that, even under the current blocking process, we are unfairly, in some cases, putting certain units of local government in competition with each other. We are taking programs, blocking them, cutting out some money, and sending it back to a State. A State government is making the decision to spend those funds politically all over the State rather than necessarily coming to grips with where the need is the greatest. This could mean that certain counties or cities or school boards may get more money than others or more than they got previously.

Let me just ask you generally whether or not there isn't some appropriate middle ground between where you were a few years ago and where you are today. If necessary, put that in a context in which you don't have to represent your current position. Put it also in the context of what I have described to you as some of the inevitability of the changing role in Federal financing.

Mr. **Graves**. I think I can respond to you, Senator, by saying that in California there is probably a greater distance between States and local governments than in most States. The State of California, in my judgment, does not have a very good record in terms of its responsiveness to local needs.

One of the things that we are seeking, as a result of the block grant system which is going into place this year, is new tensions building up within the State which are forcing the State to recognize, one, that there aren't enough dollars to go around to everyone; and, two, in order to allocate those dollars, some type of consultative process is necessary.

On the plane coming here I was reading the report of the California State Task Force on Block Grants, which has some local government officials on it. This report points out the importance of an ongoing consultative process. The State is beginning to acknowledge that. However, for the short run, there will be tight fiscal problems which could limit the best consultation. I guess I am beginning to take the long view, as I get older, that maybe by creating a bit of a vacuum you can create opportunities for being innovative; and by holding to old procedures, such as A-95, we may in fact be impeding our ability to respond to these kinds of things.

Senator **Durenberger**. Thank you very much for your testimony. We appreciate it very much.

[The prepared statement of the National Association of Regional Councils, submitted by Mr. Swisher, and the prepared statements of Messrs. Weaver and Graves follow:]

PREPARED STATEMENT OF ROGER SWISHER, ON BEHALF OF THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS

Mr. Chairman, I am Roger Swisher, mayor of Kernersville, N.C. I am a member and past president of the National Association of Regional Councils.

The National Association of Regional Councils appreciates the opportunity to present our views on the Office of Management and Budget's proposed revisions to OMB Circular A-95 which establishes a state and local review and comment process as mandated by the Intergovernmental Cooperation Act of 1968 (P.L. 90-577).

The National Association of Regional Councils represents approximately 350 of the nation's 600 substate regional councils of local governments. In the main, regional councils are agencies of local governments and operate under the direction of city and county elected officials. They fill a gap in our intergovernmental structure by dealing with problems that transcend jurisdictional boundaries and must be addressed on a regional basis. The basic responsibility of a regional council is to be an umbrella agency which facilitates regional coordination and management activities. Many regional councils also arrange for the implementation of regional policies.

By their nature, regional councils must deal with federal, state and local concerns and thus, in most cases have evolved into truly intergovernmental brokers. By bringing parties together and opening channels of communication they resolve conflicts through compromise and negotiation.

As you are aware, NARC has a keen interest in any examination of the A-95 circular. Most of our 350 member regional councils have been designated as areawide clearinghouses under the circular. The local elected city and county officials on the governing bodies of these agencies have found the process to be a valuable coordination tool that encompasses all levels of government. Our members are committed to the coordination policy embodied in Title IV of the Intergovernmental Cooperation Act.

But we also acknowledge that there have been problems with the existing process. Federal agencies often circumvented A-95 reviews. As a result, NARC has long advocated that more "teeth" be put into the process so that federal agencies would comply. Therefore, we have been active participants in the effort to sculpt a more efficient process. We have been talking with OMB for over two years and through two Presidential Administrations to achieve this goal.

Admirably OMB has said that federal agencies will be required to comply with the new process. This is a significant step forward in our view. In fact, we have supported a bill, S. 412 sponsored by Senator Tower and referred to this panel, which would have strengthened the compliance provision. Hopefully, the administrative modifications will render passage of S.412 unnecessary.

The OMB draft revision illustrates a clear federal preference for federal planning assistance to move through multipurpose planning organizations representing general purpose local governments. It attempts to discourage legislation that would create special purpose planning districts with prescriptive board requirements. This should also be applauded. NARC has long advocated the use of multipurpose organizations representing local government.

Although we welcome these positive changes, however, NARC has serious reservations about several of the other proposed modifications to the review and comment process.

A Cornerstone of Federalism

First of all, Mr. Chairman, we view the state and local review process envisioned by Title IV of the Intergovernmental Cooperation Act as a cornerstone of federalism. It is fully consistent with the goal of the Reagan Administration to strengthen the role of state and local government in our federal system.

But as we have discussed this issue with OMB over the last 18 months, we have become increasingly concerned that one partner in the process is being relegated to a supporting role. We submit, Mr. Chairman, that local government is not on an equal footing with the other intergovernmental partners in the policy process that OMB envisions to replace A-95.

The proposal does not provide a policy framework that involves all players in our federal system as equal partners.

Key Points of the Draft

The draft policy proposes that federal agencies be required to recognize state-defined processes for review and comment. States could designate review "mechanisms" within their boundaries and establish statewide review systems but would not be required to do so. OMB would neither encourage nor discourage the use of existing clearinghouses, but leave this to the state's discretion.

Should a state decline to set up such a system, there is no provision to allow local governments to do so in their communities.

The fundamental flaw in our view, is the primacy given the state under the proposal. Local government and their regional clearinghouse agencies' participation, if any, would be solely at the discretion of the state. We find this approach completely unacceptable; it is impractical and deviates from the intent of the federal law requiring this coordination system. In the worst case, a state could decide to decline to set up a statewide system and thereby preclude local governments and areawide agencies from continuing to have a review and comment opportunity.

Before we explain our position, it is important to emphasize that we do not object to a substantial state role in the review and comment system. Obviously, a proper balance and integration of federal program and activities require coordination and cooperation at all levels. Our problem is that in furtherance of the congressional mandates in Title IV of the Intergovernmental Cooperation Act of 1968 and Section 204 of the Demonstration Cities and Metropolitan Development Act this responsibility should not and legally cannot be vested exclusively in the decisions of the several state governments. But before elaborating on the legal issue, let us examine the practical side of the question.

The state commitment to the A-95 process has been mixed at best. A few states have used it as a positive management tool. They have integrated it into their budget and capital programming activities and thereby reinforced their emerging state development policy and planning efforts. In the main, however, our perception is that A-95 is treated as a marginal endeavor. Many states have submerged it in the state buearucracy, and neither the governor's office nor his central managers use the system in furtherance of coordinating state policies and activities. And in at least one state (Pa.) the effort was terminated entirely.

We believe the reasons for this lukewarm interest are twofold. First, very few states have come to grips with evolving a state development policy and providing a legal mandate for implementing such policy at the state, regional and local levels. And, the second reason flows from the first. In the absence of a formal agreed upon executive and legislative system for developing comprehensive state development policies and priorities the A-95 process is left out of the mainstream of decision-making. In our opinion this is a hostile environment for preserving the interests of local government and regional clearinghouse agencies in the A-95 process.

Local government, by its nature, must do comprehensive community development programming. And it expects this approach in working through its regional council to address areawide development issues. Moreover, local government need as much access as they can obtain to state planning and programming decisions that affect their communities. The A-95 process has proven to be an invaluable tool in reflecting these interests.

Now to the legal questions. The current A-95 process and any succession in interest are based on the Title IV and Section 204 of the above cited laws.

As we read Title IV and its limited legislative history, Congress has mandated comprehensiveness. It requires the federal government to assess its proposed actions in light of the total community needs, goals, policies and plans. But it goes further. It also recognizes the intergovernmental nature dealing with development assistance programs. Accordingly, Section 401 (b) of Title IV call for the assessment of all viewpoints--national, regional, state, local--to be taken into account by federal agencies. And in Section 401 (c) the statutes requires, "To the maximum extent possible, consistent with national objectives, all federal aid for development purposes shall be consistent with and further the objectives of state, regional and local comprehensive planning."

To develop a change in the A-95 process which could result in terminating local and regional participation appears completely inconsistent with the literal language and intent of Title IV. Thus, any revision that makes local government and their regional agencies' participation conditional on state participation is inconsistent with Title IV.

One last comment on this legal concern. From its inception, the A-95 process has partially been premised on Section 204 of the Demonstration Cities and Metropolitan Development Act. It is our understanding that this Section has not been repealed. Section 204 establishes an independent basis for providing review and comment on certain limited types of development grant programs by metropolitan agencies. Again, this provision reinforces our point.

This practical and legal problem has a very simple solution. If the Administration wishes to modify the A-95 Circular to give greater emphasis and authority to state government, it can do so without eroding the ability of local governments and regional councils to participate.

Our approach epitomizes the concept of federalism. We have suggested to OMB that if a state refuses to participate in the revised program than local governments still be allowed to maintain involvement under a "local option." They would continue to operate through their existing regional clearinghouse. Of course, we recognize that even this option could be foreclosed if state law was enacted to prohibit such local participation. But absent such law, we believe the local option approach should be available.

Interstate Areas

We have one last substantive point. It covers the unique problem of interstate metropolitan areas.

The OMB draft provides for no logical coordination process in interstate areas. Instead, it proposes that federal agencies get the views of states and localities affected by a federally assisted project in an interstate area and coordinate those views.

Unfortunately, this ignores the realities of bringing federal assistance into interstate areas. It does not adequately address the coordination needs in these 37 areas. We believe there is a special federal responsibility to ensure proper state and local coordination in the use of federal funds in these interstate regions. In our opinion, the only adequate approach in these areas is for the federal government to designate a metropolitan clearinghouse entity compatible with the preference of the major units of governments in the area if the states refuse to recognize and designate such a locally based organization themselves.

Comment Period

Our final issue concerns the need to provide an opportunity for affected parties to comment on any modification of the A-95.

Unfortunately we understand that publication of the draft proposal and allowance for a formal comment period is still up in the air. There is still much discussion at OMB and the White House over whether to issue an Executive Order implementing the new policy or to issue a circular and publish it for a 30 to 60 day comment. NARC has repeatedly urged that a comment period be allowed.

Let me note, in fairness, that the White House Intergovernmental Relations Office sent out a mailgram to all public interest group directors on Friday, April 16 so that comments could be solicited from members by April 30. But this short, informal comment period is hardly sufficient to solicit the comments of local officials who are concerned with the new policy.

In our judgment the circular should continue to be promulgated under the procedure contained in the Administrative Procedures Act, and 60 day review should be afforded. If the Administration insists on issuing the revision as an Executive Order, the need for review and comments is not altered. We hoped the subcommittee will urge the Administration to provide an adequate review period for any proposed revisions.

Responding To Comments

Finally, Mr. Chairman, as you know, local officials around the country have sent OMB their views on restructuring the A-95 process. They have provided many thoughtful comments on the process as OMB worked to restructure it.

Unfortunately, the draft we now see is little different than the concepts presented by OMB in discussions many months ago. The comments of local governments appear to have been set aside. In its effort to keep it simple, we fear that OMB has oversimplified a key public policy concern and inadvertently undermined a key federalism goal. We are sad to say, Mr. Chairman, that we have an uneasy feeling that the Administration is more concerned with the length of their revised policy than in the crafting of an approach that answers the concerns of all the partners in the intergovernmental system.

We do not say this lightly, but out of frustration that the quest for simplicity may have overtaken the struggle for reasoned, reflective development of public policy.

We believe that the new process can be uncomplicated while still answering key concerns about how local governments can have a meaningful role that works in conjunction with their states.

Mr. Chairman, for the record I am submitting a copy of our recent letter to OMB which contains our comments on the proposed draft. It provides further details on our concerns.

Again, NARC appreciates the opportunity to present our views to this panel. I would be happy to answer any questions that you might have at this time.

NATIONAL
ASSOCIATION
OF REGIONAL
COUNCILS

1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

March 29, 1982

Mr. Harold Steinberg
Associate Director for Management
Office of Management and Budget
Room 238, Old Executive Office Building
Washington, D. C. 20503

Dear Hal:

Thanks for the opportunity to meet with OMB and the White House staff on revisions to the state and local review and comment process (A-95). Following are the comments on the draft discussed at that meeting:

I. Reference to Federally Sponsored Special Purpose Planning Organizations-- The OMB document refers to federal agencies supporting general purpose units of local governments by "discouraging the reauthorization or creation of federally sponsored special purpose planning groups." It cites as examples HSAs, EDDs, AAAs, etc. It is our understanding that the intent of this provision is to discourage federal agencies from supporting legislation which prescribes board requirements of such groups or sets up so-called special districts. As you know, NARC policy supports neither prescriptive board requirements nor special purpose functional planning organizations. We endorse the use of general purpose regional organizations composed of at least a majority of local elected officials. To this end, we suggest that you can achieve the intent of this provision and eliminate any misinterpretation by substituting the following language:

> Federal agencies shall support general purpose units of local governments, and their regional councils composed of at least a majority of local elected officials. Agencies should discourage the reauthorization or creation of federally sponsored special purpose planning organizations with prescribed board composition (e.g. health systems agencies, etc.)

II. Preamble--Clearing Up The Local Government Role -- As noted at the meeting Friday, NARC views the current draft as weak on local government, strong on state. We are not concerned about this emphasis on state government per se; obviously the involvement of the state in the process in an affirmative role will improve the intergovernmental coordination at all levels. But there is no assurance that each state will embrace this approach. And this raises our prime concern on the proposal. Section 401 of the Act does not place state government in the role as the exclusive arbitrator on who participates in the process. The Act and its history, as well as Section 204 of the Demonstration Cities Act of 1966, reflect that Congress requires that the policies and procedures responding to Sections 401 and 204 include a role for local governments and their regional councils. Participation is not to be derived from the assent and active involvement of the state in the process. The Act provides rights to local governments and regional agencies in the coordination process, and we will pursue this issue fully if the revision does not permit such an opportunity in the event of a negative response by a state in establishing a state/local review process. Accordingly, it is suggested that NARC propose language for a preamble which would emphasize the local role as a prominent one--as OMB had intended. Therefore, we propose the following preamble:

> Section 401 of the Intergovernmental Cooperation Act requires the President to issue regulations setting up a system for state, local governments and regional agencies to review and comment on federal programs and projects having significant impact on community development. The intent of the Act is to encourage communication and coordination among the federal, state and local levels on matters concerning federal assistance or direct federal projects.
>
> The following replaces the existing OMB Circular A-95. It is intended to simplify and improve the existing review and comment process and to provide more latitude to states and local governments in such matters. The proposal encourages states to work with their local governments to set up statewide systems for review and comment. The review and comment process is not to be viewed as an issue appropriate for exclusive executive decision-making at the state level, however. The selection of a regional review agency should be made by joint action of the state and local governments in a substate area. Moreover, where the affected local governments wish to continue using them, and if state law is not to the contrary, then existing clearinghouses should be redesignated

for review and comment purposes under the new guidance. In the event a state does not participate in this revised program, the local governments may continue to participate by endorsing the existing A-95 regional clearinghouse or substituting another regional mechanism for these purposes.

Federal agencies are required under this circular to review the comments of states and local clearinghouses under the system and to justify funding decisions that are contrary to the express wishes of the affected state and local governments.

III. Interstate Areas -- The proposed language covering interstate areas is extremely weak and unworkable. To address the special problems of interstate areas, we propose the circular include the following language:

> Since the onset of the A-95 process and its predecessor, Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, the unique status that interstate metropolitan areas have in our federal/state system has been recognized and arrangements for the designation of clearinghouse organizations having jurisdiction coincidental with the boundaries of the interstate metropolitan areas have been made. Accordingly, this revision of the circular reaffirms the designated clearinghouse agencies in such areas as has been the case in the previous revisions to the circular. For this reason, the current designation of clearinghouses in such interstate metropolitan areas shall remain in effect unless the Governors of the states within such areas, with the concurrence of the elected officials representing the local governments having at least 75% of the population within such interstate area, agree to a different arrangement.

IV. Circular or Executive Order -- NARC would prefer that the process be maintained in its traditional form -- that of an OMB Circular issued under the Administrative Procedures Act. In any event, the revision should be published in the Federal Register with a 60 day comment period. Experience with the revision process over an 18 month period has shown that there is a great deal of interest in the process at the local level. Since every level of government will be affected greatly, all should be provided an opportunity to comment. Moreover, the time that has elapsed over the revision period renders any argument of speedy revision and announcement irrelevant.

Thank you. We look forward to hearing from you on this.

Sincerely,

Corky Kirkpatrick

Corky Kirkpatrick
President

CK:S

cc: James F. Kelly
David A. Stockman

Remarks to the
Subcommittee on Intergovernmental Relations,
United States Senate
on Proposed Changes to the A-95 Review System

Submitted by Charles Weaver, Chairman
Metropolitan Council
Suite 300, Metro Square Building
St. Paul, Minnesota 55101

On behalf of the Metropolitan Council of the Twin Cities Area in Minnesota, I would like to thank the Chairman and members of the Intergovernmental Relations Subcommittee for this opportunity to comment on the Office of Management and Budget's proposed changes to the review and comment system now implemented under Circular No. A-95. This is a subject of deep concern to us.

The draft OMB policy issued last week proposes giving each state the option of designing its own review framework and procedures. This may result in an acceptable system, with ample opportunity for local and regional comment. In Minnesota, I expect it would.

On the other hand, the OMB draft policy does not even mention the word "regional" and could be interpreted to exclude regional agency reviews deliberately, in every state. We strongly urge that it be changed to state that regional reviews should be retained.

My remarks today will describe and evaluate the Minneapolis-St. Paul metropolitan area's experiences with the A-95 review process, as it has been used by the Metropolitan Council over the past decade. There are two major points I want to make. The first is that reviewing proposals in a regional policy context saves public dollars and ensures that public funds will meet local needs. The second is that regional reviews can enhance effectiveness of the President's New Federalism proposals for restructuring federal, state and local responsibilities.

The A-95 review process was mandated in 1968 to introduce order and prevent duplication among the hundreds of thousands of proposals for federal grants received each year by federal grant-making agencies. Today, 14 years later, the reviews continue to meet those critical needs. They are a time-saving and cost-saving device that must be retained.

Without a "clearinghouse" approach to sorting out federal grant applications on the basis of local and regional needs and policies, senators and congressmen will become the focal point for all the grant applications from their state or district. Regional reviews take the pressure off congressional offices. When someone has to say "no" because of budget constraints, that someone had best be making the decisions based on reasoned policies determined in public arenas at the local and regional levels.

As a regional planning and coordinating agency, the Metropolitan Council places an extremely high value on the intelligent use of the regional review process. It is critical to ensuring a reasoned, policy-based approach to intergovernmental coordination.

The A-95 Review Procedure as Used by the Metropolitan Council

As the regional "clearinghouse" for the Twin Cities Area, the Metropolitan Council reviews and comments on from 800 to 1,000 grant proposals a year. It's hard to argue that a regional review is not needed when we have 195 cities, townships and counties in the metropolitan area. The Council bases its reviews on policies and plans adopted in close cooperation with these many local governments. Federal agencies, by reasons of distance and limited staff, are not in a position to choose between competing proposals from Savage and Stillwater, or any other of the 149 municipalities.

The procedure the Council uses for A-95 reviews works. It is both efficient and inclusive. It takes no more than 30 to 45 days and provides for the input of every party affected by the proposal under review. The review is based on the Council's adopted policies and review guidelines, which have been developed through an extensive public process and are well publicized.

Once the Council receives a proposal for review, it notifies the applicant and the community, and solicits their comments by telephone. It also contacts other affected parties for information. For example, in the case of housing reviews, other contacts may include the Metropolitan Waste Control Commission, state highway department, state Pollution Control Agency, county park reserve district, watershed district and local human rights commission, in addition to the community and the applicant. The Metropolitan Council prepares a written review and recommendation once the information has been collected. Copies are mailed to the community and the applicant. A Council committee discusses the review at an open meeting at which affected parties have an opportunity to be heard. The Council committee then makes its recommendation, which is sent to the full Metropolitan Council for final action, and then forwarded to the appropriate state or federal funding agency.

The entire procedure is open. It often represents the only opportunity the applicant and the community have to be heard, because federal and state funding decisions are rarely made in open forums. While the process is comprehensive, it produces relatively few surprises, as regional policies are already well known to most applicants and communities. And it does not result in undue delay, since it usually takes place in tandem with a longer federal or state review.

The OMB draft policy seems to provide strong support for use of local comments, including that they will explain their reasons when they cannot accept negative review concerns. But negative review comments are only a small part of the regional review system.

Comments don't have to be negative to have an impact. When reading critiques of the A-95 review process, one frequent assumption is that A-95 is a tool to stop things through negative comments. Actually, this veto power signals a breakdown of a regional system, not one of its major roles. The success of the Metropolitan Council's regional reviews should not be measured by the percentage of proposals it vetoes. The success should be measured by the number of proposals that don't present problems because any problems have been resolved prior to the review stage, without the necessity of state or federal intervention.

It is the Metropolitan Council's position that regional reviews represent far more than an opportunity to make negative comments. By ranking acceptable proposals for consistency with local priorities, they support the spirit of New Federalism. This aspect of regional reviews should be equally recognized by federal and state funding agencies, along with the ability of the process to resolve problems.

Need for Regional Reviews Under the New Federalism

The elements necessary for the successful use of a regional review system under New Federalism should not be very different from the current ones. Under either, the review process will be based on the establishment of funding programs by law, and the adoption of rules and regulations for their use. The programs may be administered at either the federal or state level. Program applicants will still be local or county units of government, nonprofit organizations, or the private sector. Some funding decisions will be made by the federal government, many more by state, regional or local governments. In making the funding decisions, governments will apply the appropriate law, rules and regulations, as well as any other relevant state or federal laws (e.g., Civil Rights Act provisions). To ensure coordination, the advice and comment of local, county and regional governments must still be taken into consideration. These comments can either be provided separately or assembled and transmitted by a regional agency. In either case, the advent of New Federalism should not materially affect the function of regional reviews, but only the final address to which comments are delivered.

The regional review should be retained to serve the same purpose it serves now. It was never designed to replace the rightful role of another level of government, either higher or lower. Its purpose is to determine how otherwise acceptable, desirable and legal proposals fit into a regional policy context; to add a regional distinction that might not be discernible at the state or federal level.

An example might best explain the need for a regional review, and the way it is used by the Metropolitan Council. A large proportion of the reviews conducted by the Council are federal or state housing reviews. In the case of subsidized housing, there are federal or state rules and regulations that apply to each program. There are often federal, or state, priorities as well, along with funding allocation systems.

In a recent year, the Council accepted applications for the development of subsidized housing units for elderly people. Eligible applicants were private, nonprofit sponsors. Because these funds have always been scarce and highly sought after, applications have always exceeded the available funding supply. This time was no exception. The applicants were uniformly aggressive in their pursuit of the funds, and the cities in which the proposed units were to be located were avid in their support. The proposals were very professionally done and consistent with all of the federal rules and regulations and other legal requirements. Yet, not all the proposals could be funded.

This is where regional policies come into play. Through a regional review, they can often help in resolving difficult funding decisions, without usurping or contradicting policies of any other governmental level. In the case of the elderly housing funding proposals, the regional perspective brought out several important distinctions. Did the communities in which the proposals were located have other elderly housing available, and how much? Had the communities provided a "fair share" of the region's housing for low-income families--a much more difficult undertaking. Using these and other regional review factors, the Council was able to recommend a fund ranking order for the proposals based on local needs, although the proposals appeared equal according to rules at the other governmental levels.

Regional reviews can provide a support system for New Federalism. One major thrust of New Federalism is to reverse a trend of several decades toward intergovernmental communications that occur vertically, from local to state and federal agencies and then back again through this often torturous pipeline. Local policy-makers and administrators have spent too much time and energy communicating upward rather than across jurisdictional boundaries at the local and regional levels.

The problem is that even well-intentioned federal officials cannot tune in adequately to local needs, situations and potential policy conflicts and respond to them. The Reagan administration had diagnosed the disease correctly. It's that Washington is too far away to design and manage programs for all 50 states and thousands of units of local government.

In the Twin Cities metropolitan area, the regional review process has always been used to inform local decision-makers about pending federal grants and potential grant issues involving other local jurisdictions that they might not otherwise be aware of. It is, therefore, a process that fully supports the principles of New Federalism; principles that demand there be much greater capacity within local areas to resolve issues cooperatively when more than one jurisdiction is involved. That work is better done through a localized process triggered by regional review than through unnecessary and inappropriate state and federal involvement.

In short, the philosophy of a New Federalism offers the promise of a continued coordinative role for regional agencies and regional reviews, and a strong federal interest in the concerns of local and regional governments.

It is the Metropolitan Council's strong position that these local and regional concerns should continue to receive consideration by state and federal funding agencies. A-95 has been an open process. It has been handled without undue cost or delay; yet it has offered the opportunity for many points of view to be aired. It has proven to be an effective tool for the resolution of differences. In the long run, it has been a cost-saving device. All these attributes can be used to enhance the New Federalism.

LS371A-H1

PREPARED STATEMENT OF CLIFFORD W. GRAVES ON BEHALF OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS

GOOD MORNING. I AM CLIFFORD W. GRAVES, CHIEF ADMINISTRATIVE OFFICER OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

I AM PLEASED TO HAVE THE OPPORTUNITY TO PRESENT TO YOUR SUBCOMMITTEE THE POSITION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS ON THE PRESENT AND FUTURE NEED FOR THE FEDERAL OFFICE OF MANAGEMENT AND BUDGET'S CIRCULAR A-95. IT IS AN OPPORTUNITY AND AN ISSUE OF PARTICULAR INTEREST TO ME.

FROM 1974 TO 1976, I SERVED AS DEPUTY ASSOCIATE DIRECTOR OF THE U.S. OFFICE OF MANAGEMENT AND BUDGET. PRIOR TO THAT I WAS DEPUTY ASSISTANT SECRETARY AT THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. IN BOTH CAPACITIES I WAS INTIMATELY INVOLVED IN THE A-95 PROCESS.

AT THAT TIME, I WAS A STRONG PROPONENT OF THE A-95 PROCESS, CONVINCED OF THE NEED FOR THE FEDERAL GOVERNMENT TO PROVIDE A STRONG MANDATE FOR INTERGOVERNMENTAL COOPERATION AND COORDINATION. THERE WERE TWO BASIC REASONS FOR MY STRONG SUPPORT OF THE A-95 PROCESS AT THAT TIME: (1) THE EXPLOSION OF FEDERAL CATEGORICAL PROGRAMS AND (2) THE LACK OF STATE AND LOCAL GOVERNMENTS' CAPACITY TO DEAL WITH THE INTERGOVERNMENTAL DIMENSIONS OF REGIONAL ISSUES.

TODAY, HOWEVER, I SHARE THE SAN DIEGO COUNTY BOARD OF SUPERVISORS' POSITION THAT CIRCULAR A-95, IN ITS CURRENT FORM, IS NO LONGER NECESSARY OR WARRANTED.

IN THE COUNTY'S OPINION, THE LOCAL CLEARINGHOUSE FUNCTION IN OUR REGION HAS GONE FAR BEYOND THE ORIGINAL PURPOSES AND INTENT OF A-95. USING PRIMARILY FEDERAL FUNDS AND THE FEDERAL A-95 MANDATES TO JUSTIFY ITS ROLE, OUR LOCAL CLEARINGHOUSE HAS BECOME A STRONG STAFF ORGANIZATION WHICH WIELDS SIGNIFICANT POLITICAL POWER. IT IS THE BOARD OF SUPERVISORS' SINCERE OPINION THAT IT WIELDS THIS POWER NOT TO ENCOURAGE COOPERATION, BUT TO BUILD A STAFF POWER BASE AND CONSTITUENCY BY KINDLING DISCORD AMONG LOCAL AGENCIES AND COMMUNITY ORGANIZATIONS IN THE REGION.

I'D LIKE TO TAKE A FEW MINUTES TO GIVE YOUR SUBCOMMITTEE SOME SPECIFIC EXAMPLES OF WHY SAN DIEGO COUNTY IS CONCERNED WITH THE PRESENT A-95 PROCESS, AND HOW IT'S BEING USED IN OUR COUNTY. THESE EXAMPLES, I BELIEVE, WILL HELP YOUR SUBCOMMITTEE UNDERSTAND THE COUNTY'S POSITION THAT THE CURRENT A-95 SHOULD EITHER BE DISMANTLED IN TOTAL OR AT LEAST SUBJECT TO MAJOR REVISION FOR PURPOSES OF REDUCING THE BIG BUREAUCRACIES IT HAS CREATED.

1. MY FIRST POINT REGARDS THE RECENT TREND AT THE FEDERAL LEVEL TOWARD BLOCK GRANT, RATHER THAN CATEGORICAL GRANT, ASSISTANCE TO THE STATES AND LOCAL GOVERNMENT. SAN DIEGO COUNTY HAS SUPPORTED THIS TREND. THE BLOCK GRANT APPROACH PROVIDES NEEDED AUTHORITY AND FLEXIBILITY TO THE STATES AND LOCAL GOVERNMENT. WITH DWINDLING REVENUE RESOURCES, AND LESS AND LESS ACTUAL SPENDING POWER, STATE AND LOCAL ELECTED OFFICIALS MUST HAVE THIS FLEXIBILITY. WE MUST HAVE THE AUTHORITY TO SPEND THE DOLLARS AVAILABLE ACCORDING TO THE PRIORITIES AND NEEDS OF OUR RESPECTIVE COMMUNITIES.

WE NOTE THAT ALMOST EVERY BLOCK GRANT PROGRAM ENACTED BY CONGRESS HAS CONTAINED ITS OWN GUIDELINES AND REQUIREMENTS FOR STATE/LOCAL COORDINATION AS WELL AS CITIZEN INPUT. IN THIS CONTEXT, THE REQUIREMENTS OF A-95 HAVE BECOME REDUNDANT AND SUPERFLUOUS. THIS IS A PRIMARY REASON FOR OUR POSITION THAT CIRCULAR A-95 SHOULD BE DISMANTLED.

2. SECONDLY, I WOULD LIKE TO POINT OUT TO YOUR SUBCOMMITTEE THAT SAN DIEGO COUNTY IS A SINGLE COUNTY REGION.

THE COUNTY IS CLASSIFIED BY THE FEDERAL GOVERNMENT AS A SINGLE COUNTY STANDARD METROPOLITAN STATISTICAL AREA (SMSA). IT IS ALSO DESIGNATED BY THE GOVERNOR AND STATE LAW AS A SINGLE COUNTY PLANNING AREA.

AS SUCH, OUR BOARD OF SUPERVISORS IS A "REGIONALLY" ELECTED GOVERNING BOARD WITH REGIONAL RESPONSIBILITIES FOR AIR QUALITY, CRIMINAL JUSTICE, HUMAN SERVICE AND SOLID WASTE FUNCTIONS. A-95 IN ITS CURRENT FORM, HOWEVER, GIVES NO RECOGNITION TO THE LEGITIMATE REGIONAL ROLE AND NATURE OF OUR COUNTY GOVERNMENT.

IN FACT, SAN DIEGO'S A-95 CLEARINGHOUSE, OR AREAWIDE PLANNING ORGANIZATION, WHICHEVER YOU CARE TO CALL IT, CONTINUALLY ATTEMPTS TO EXTEND ITS POWER AND AUTHORITY INTO AREAS WHICH ARE LEGITIMATELY THE COUNTY'S SOLE RESPONSIBILITY.

I AM AWARE THAT SAN DIEGO COUNTY IS AN EXCEPTION RATHER THAN THE RULE AMONG METROPOLITAN AREAS. THE INTERGOVERNMENTAL COOPERATION ACT AND CIRCULAR A-95 WERE DESIGNED TO DEAL WITH THE MULTI-COUNTY AND MULTI-STATE AREAS WHERE NO SINGLE INSTITUTION WITH GENERAL PURPOSE AUTHORITY OF A REGIONAL DIMENSION EXISTED. OUR SITUATION ILLUSTRATES THE PROBLEMS OF APPLYING NATIONAL MODELS AT THE LOCAL LEVEL.

FOR EXAMPLE, THE SAN DIEGO A-95 CLEARINGHOUSE ANNUALLY SUBMITS APPLICATIONS FOR FEDERAL AND STATE MONIES TO PERFORM HUMAN SERVICE PLANNING, A FUNCTION WHICH IS CLEARLY THE COUNTY'S LEGAL RESPONSIBILITY. WE, THEREFORE, FIND OURSELVES SPENDING PRECIOUS RESOURCES COMPETING FOR FUNDS WITH AN AGENCY WHICH IS SUPPOSED TO BE FOSTERING INTERGOVERNMENTAL COOPERATION.

ANOTHER EXAMPLE OF THIS TYPE OF COMPETITION IS IN THE AIR QUALITY AREA. IN 1980, THE COUNTY OF SAN DIEGO PROPOSED TO THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY (EPA) AND THE STATE AIR RESOURCES BOARD THAT REGIONAL AIR QUALITY PROGRAMS BE CHANGED TO PROVIDE MORE PASS-THROUGH MONEY FOR LOCAL DEMONSTRATION PROJECTS TO IMPLEMENT OUR REGIONAL AIR QUALITY STRATEGY. I SHOULD NOTE HERE THAT THE SAN DIEGO BOARD OF SUPERVISORS IS ALSO THE BOARD OF DIRECTORS OF THE COUNTY (REGIONAL) AIR POLLUTION CONTROL DISTRICT. STAFF OF OUR A-95 CLEARINGHOUSE, WITHOUT EVEN CONSULTING WITH ITS BOARD OF DIRECTORS, WROTE EPA AND THE STATE URGING THAT THE COUNTY'S PROPOSAL BE IGNORED.

AS YOU MIGHT EXPECT, OUR BOARD OF SUPERVISORS WAS AND IS OUTRAGED BY THESE TYPES OF ACTIONS. THEY REFLECT, IN OUR OPINION, A TREMENDOUS AND DANGEROUS POLITICAL IMBALANCE WHICH HAS BEEN CREATED AS A DIRECT RESULT OF THE FEDERAL A-95 REQUIREMENTS. IN OUR REGION, AND IN OTHERS I'M CERTAIN, AN APPOINTED, STAFF-DOMINATED ORGANIZATION IS COMPETING WITH, AND IN MANY INSTANCES IMPEDING THE ABILITY OF, A DIRECTLY ELECTED, REGIONAL BOARD OF SUPERVISORS TO CARRY OUT ITS LEGAL RESPONSIBILITIES AND THE DESIRES OF THE ELECTORATE.

HOW WOULD THE U.S. SENATE FEEL IF IT FOUND ITSELF IN SUCH A SITUATION?!

3. A THIRD CONCERN RELATES TO FISCAL AND PROGRAM ACCOUNTABILITY. THE A-95 CLEARINGHOUSES HAVE NO DIRECT ACCOUNTABILITY TO THE TAXPAYERS FOR THE MILLIONS OF DOLLARS OF PUBLIC MONIES THEY SPEND. IN SAN DIEGO, OUR CLEARINGHOUSE BUDGET HAS GROWN FROM LESS THAN $1 MILLION TO A HIGH OF $4 MILLION IN 1975-76 TO ITS PRESENT LEVEL OF ABOUT $3 MILLION. BASED UPON THE TOTAL FEDERAL BUDGET, THAT DOESN'T SEEM LIKE A LOT OF MONEY, I'M SURE. BUT TAKEN IN THE CONTEXT OF OUR COUNTY BUDGET ($712 MILLION IN 81-82), AND THE DRAMATIC DECLINE IN REVENUE AVAILABLE TO THE COUNTY FROM FEDERAL AND STATE, AS WELL AS LOCAL, SOURCES, IT IS A SIGNIFICANT CHUNK OF MONEY.

WE QUESTION WHETHER CONTINUED EXPENDITURE AT THIS LEVEL IS NECESSARY. MOST OF THE REGIONAL PLANNING OBJECTIVES OF A-95 AND RELATED FEDERAL PROGRAMS HAVE BEEN ACCOMPLISHED. THE MAJOR "REGIONAL" PLANS REQUIRED BY STATE OR FEDERAL LAW HAVE BEEN ADOPTED FOR THE SAN DIEGO REGION. WE HAVE, FOR INSTANCE, AN ADOPTED REGIONAL AIR QUALITY STRATEGY; REGIONAL TRANSPORTATION PLANS; REGIONAL POPULATION PROJECTIONS AND A SOPHISTICATED COMPUTER MODEL FOR UPDATING THE PROJECTIONS; AND A REGIONAL WATER QUALITY PLAN.

ALTHOUGH WE ACKNOWLEDGE THAT THESE PLANS REQUIRE PERIODIC UPDATE, IT IS ALSO THE COUNTY'S STRONG BELIEF THAT IT IS TIME TO DE-EMPHASIZE PLANNING AND EMPHASIZE IMPLEMENTATION. ACCORDINGLY, WE BELIEVE IT'S TIME TO DISMANTLE THE LARGE PLANNING STAFFS AND BUDGETS OF A-95 CLEARINGHOUSES. THIS WILL REQUIRE, IN OUR OPINION, DISMANTLING A-95 ALTOGETHER. GIVEN THE FISCAL CRISES AT ALL LEVELS OF GOVERNMENT, WE SIMPLY CAN NO LONGER AFFORD THE COSTS AND BUREAUCRACIES WHICH HAVE EVOLVED AS A RESULT OF A-95.

MOREOVER, WE QUESTION WHO THESE BUREAUCRACIES ARE ACCOUNTABLE TO. FOR EXAMPLE, IN APRIL 1980, THE COUNTY REQUESTED THE BOARD OF DIRECTORS OF OUR CLEARINGHOUSE CONTINUE FINAL ADOPTION OF ITS $3 MILLION WORK PROGRAM ONE MONTH.

THE RATIONALE FOR THIS REQUEST WAS THAT THERE WERE EIGHT NEW REPRESENTATIVES TAKING THEIR SEATS ON THE A-95 BOARD AS A RESULT OF CITY COUNCIL ELECTIONS.

THE COUNTY PROPOSED SUBSTANTIVE CHANGES TO THE WORK PROGRAM (PARTICULARLY IN THE AIR QUALITY AREA) WHICH WE BELIEVED DESERVED RESPONSE FROM THE STAFF AND THOROUGH CONSIDERATION BY THE NEW BOARD.

THE CHIEF A-95 STAFF PERSON INFORMED HIS BOARD THAT ADOPTION OF THE WORK PROGRAM AT THAT TIME WAS IMPERATIVE TO MEET FEDERAL DEADLINES. SUBSEQUENT COMMUNICATION BY COUNTY STAFF WITH FEDERAL OFFICIALS INDICATED THAT APRIL WAS A SUGGESTED, BUT NOT A MANDATED, DATE FOR SUBMISSION OF THE WORK PROGRAM. THEREFORE, TIME WAS AVAILABLE FOR A VIRTUALLY NEW BOARD OF DIRECTORS TO THOROUGHLY UNDERSTAND AND DEBATE THE WORK PROGRAM. THE STAFF DID NOT WANT THAT TO OCCUR.

WITH NO DISRESPECT INTENDED, WE BELIEVE THIS EXAMPLE ILLUSTRATES OUR CONCERN OF THE ABILITY OF A PART-TIME, APPOINTED CLEARINGHOUSE BOARD OF DIRECTORS TO MAINTAIN STRICT ACCOUNTABILITY FROM ITS STAFF.

4. MY FINAL POINT IS THAT THE ORIGINAL KEY PURPOSE FOR CIRCULAR A-95, INTERAGENCY COORDINATION, HAS BEEN ACHIEVED.

PRIOR TO ADOPTION OF OMB CIRCULAR A-95, THERE WAS LITTLE PLANNING, RESOURCE ALLOCATION COORDINATION AMONG FEDERAL AGENCIES, AND BETWEEN FEDERAL, STATE AND LOCAL AGENCIES. THEREFORE, CIRCULAR A-95'S RIGID GUIDELINES FOR COORDINATION WERE NECESSARY AND APPROPRIATE AT THAT TIME.

NOW, HOWEVER, COORDINATION IS A WAY OF LIFE. IN FACT, GIVEN THE CURRENT FISCAL CRISIS IN GOVERNMENT, WE AT THE LOCAL LEVEL REALIZE THAT WORKING TOGETHER IS REQUIRED FOR SURVIVAL.

WE WOULD POINT OUT TO YOU, HOWEVER, THAT MEANINGFUL LOCAL AGENCY COORDINATION IN SAN DIEGO COUNTY IS OCCURRING OUTSIDE THE A-95 CLEARINGHOUSE. GIVEN OUR SINCERE MISGIVINGS WITH THE COMPETITIVE NATURE OF THE STAFF-DOMINATED A-95 ORGANIZATION IN SAN DIEGO COUNTY, THE COUNTY OF SAN DIEGO WITHDREW FROM THE ORGANIZATION IN 1980.

SINCE THAT TIME, HOWEVER, WE ARE HAVING VERY POSITIVE RESULTS FROM OUR STRATEGY TO COOPERATE AND COORDINATE WITH OTHER AGENCIES IN THE REGION ON A DIRECT AGENCY-TO-AGENCY BASIS OUTSIDE THE CLEARINGHOUSE FRAMEWORK. FOR EXAMPLE, WE ARE WORKING JOINTLY AND VERY COOPERATIVELY WITH THE CITY OF SAN DIEGO ON A MAJOR RESOURCE RECOVERY PROJECT; WE HAVE WORKED WITH THE SMALL CITIES IN THE COUNTY IN THE CONSTRUCTION OF THREE MAJOR REGIONAL CENTERS FOR JOINT USE BY THE COUNTY, THE COURTS AND THE CITIES; WE HAVE AND CONTINUE TO WORK JOINTLY WITH THE CITY OF SAN DIEGO AND WITH THE FEDERAL GOVERNMENT FOR CONSTRUCTION OF A SECOND INTERNATIONAL BORDER CROSSING IN SAN DIEGO COUNTY AND THE RELATED DEVELOPMENT OF AN INTERNATIONAL TRADE ZONE; AND WE ARE MAINTAINING CLOSE COMMUNICATION WITH THE CITIES AND PRIVATE INTEREST IN THE DEVELOPMENT OF OUR SOCIAL SERVICES DEMONSTRATION PROJECT WHICH WAS AUTHORIZED BY CONGRESS LAST YEAR.

I WOULD HOPE THAT THESE EXAMPLES IMPRESS YOU WITH THE LEGITIMACY OF OUR POSITION THAT THE INTERAGENCY COOPERATION OBJECTIVE OF CIRCULAR A-95 HAS BEEN ACHIEVED. AND, FROM OUR PERSPECTIVE, INTERAGENCY COOPERATION WILL CONTINUE TO OCCUR, NOT BECAUSE OF, BUT RATHER IN SPITE OF, CIRCULAR A-95. WE AT THE LOCAL LEVEL REALIZE THAT WE MUST PULL TOGETHER IF WE ARE TO GUIDE OUR COMMUNITIES, WITH ANY SENSE OF SECURITY AND WELL-BEING INTACT, THROUGH THESE DISMAL ECONOMIC TIMES.

CONCLUSION: IN CONCLUSION, GENTLEMEN, I WOULD LIKE TO REITERATE THAT MY OWN PERSONAL EXPERIENCE HAS LED ME FROM A POSITION OF KEY PROPONENT OF CIRCULAR A-95 TO TOTAL AGREEMENT WITH THE SAN DIEGO BOARD OF SUPERVISORS' POSITION THAT CIRCULAR A-95 SHOULD BE DISBANDED.

AS WITH MOST PROGRAMS, THE ORIGINAL INTENT AND OBJECTIVES OF CIRCULAR A-95 HAD GREAT MERIT. BUT OVER THE YEARS LARGE, UNACCOUNTABLE BUREAUCRACIES HAVE BEEN BUILT IN THE NAME OF A-95, BUREAUCRACIES WHICH HAVE ANNEXED POWER NOT ORIGINALLY INTENDED BY A-95.

WE READILY ADMIT THIS IS NOT SOLELY THE FAULT OF CIRCULAR A-95. WE AT THE LOCAL LEVEL SHARE A LARGE RESPONSIBILITY FOR THE SIZE AND COSTS OF THESE ORGANIZATIONS. HOWEVER, TIMES HAVE CHANGED, AND OUR INSTITUTIONS MUST CHANGE ALSO.

CIRCULAR A-95 AND THE AREAWIDE PLANNING ORGANIZATIONS WHICH IT ENABLED AND HAS KEPT ALIVE ARE NO LONGER NECESSARY OR WARRANTED. THEY ARE PRESENTLY SUFFERING AS A RESULT OF THE GROWING NUMBER OF BLOCK GRANT PROGRAMS WHICH PROVIDE LITTLE ROLE FOR THEM. NONETHELESS, THESE BUREAUCRACIES CONTINUE TO STRUGGLE FOR SURVIVAL BY COMPETING WITH OPERATING, BASIC SERVICE PROGRAMS FOR FUNDS. THIS, I WOULD SUBMIT, IS TOTALLY CONTRARY TO THE ORIGINAL PURPOSE OF CIRCULAR A-95. BUT IT IS A NATURAL OCCURRENCE WHICH WILL NOT BE RESOLVED UNTIL CIRCULAR A-95 IS DISMANTLED AT THE FEDERAL LEVEL.

SAN DIEGO COUNTY HAS STRONGLY SUPPORTED PRESIDENT REAGAN'S GOAL TO STRENGTHEN THE HOME RULE POWERS OF THE STATES AND LOCAL GENERAL PURPOSE GOVERNMENT. WE BELIEVE ELIMINATION OF CIRCULAR A-95 IS ONE OF MANY STEPS NECESSARY TO ACHIEVE THIS GOAL. THEREFORE, WE APPLAUD THE . FIVE POINT PROGRAM FOR REPLACING CIRCULAR A-95 ISSUED BY THE WHITE HOUSE ON APRIL 16, 1982.

THIS PROGRAM PROVIDES FLEXIBILITY FOR STATE AND LOCAL INITIATIVE TO DEVELOP INTERGOVERNMENTAL COORDINATION PROCESSES, WHILE ASSURING THAT ELECTED STATE AND LOCAL OFFICIALS HAVE THE OPPORTUNITY FOR INPUT INTO FEDERAL PLANS AND ACTIONS WHICH MAY AFFECT THEM. WE WOULD STRESS, HOWEVER, A KEY ELEMENT NECESSARY TO ENSURE THE SUCCESS OF PRESIDENT REAGAN'S PROPOSED NEW INTERGOVERNMENTAL POLICIES.

A STATE/LOCAL PARTNERSHIP IN DEVELOPING INTERGOVERNMENTAL COORDINATION PROCESSES MUST BE EMPHASIZED, IF NOT REQUIRED. AS I INDICATED IN MY EARLIER REMARKS, LOCAL GOVERNMENT HAS MATURED--IT NOW HAS THE CAPACITY TO DEAL WITH THE INTERGOVERNMENTAL DIMENSION OF REGIONAL ISSUES. WE AT THE LOCAL LEVEL UNDERSTAND THAT COOPERATING TOGETHER IS THE ESSENCE OF OUR SURVIVAL. WE ARE ALSO THE LEVEL OF GOVERNMENT MOST KNOWLEDGEABLE WITH THE UNIQUE NEEDS, PROBLEMS AND STRENGTHS OF OUR COMMUNITIES.

A STATE AS LARGE AS CALIFORNIA CAN NOT HAVE ITS FINGER ON THE VARIETY OF LOCAL NEEDS AND CONDITIONS PRESENT IN THE VARIOUS REGIONS OF THE STATE. THEREFORE, WE BELIEVE IT IS IMPERATIVE THAT THE PRESIDENT'S PROGRAM CLEARLY ENUNCIATE THAT THE FEDERAL A-95 INTERGOVERNMENTAL POLICIES ARE NOT BEING REPLACED BY STATE POLICIES, BUT RATHER BY POLICIES FORMULATED JOINTLY BY STATE AND LOCAL GENERAL PURPOSE GOVERNMENT.

THAT CONCLUDES MY REMARKS ON BEHALF OF SAN DIEGO COUNTY. THANK YOU FOR YOUR ATTENTION AND CONSIDERATION.

Senator DURENBERGER. John, would you like to join us at this time?

TESTIMONY OF HON. JOHN W. WARNER, U.S. SENATOR FROM THE STATE OF VIRGINIA

Senator WARNER. Thank you, Mr. Chairman.

I will be very brief. I apologize. I had to convene a session of the Armed Services Committee earlier this morning. We took a break so I could come. I am very much interested in this subject. I am encouraged to see the chairman convening these hearings.

Senator DURENBERGER. John, we are trying to encourage Roger Swisher to run for Congress in the 6th District of Minnesota. He is a Republican, so be sure you shake his hand. [Laughter.]

Mr. SWISHER. For the record, I am also a Republican. [Laughter.]

Senator DURENBERGER. Mr. Kiser, you will get your turn about 11:30. [Laughter.]

John, thank you for coming.

Senator WARNER. Thank you, Mr. Chairman.

After my election to the Senate, many State and local officials of Virginia expressed concern about OMB Circular A-95. The concerns centered on the Federal agencies ignoring State and local comments about proposed Federal grants. It really became a frustration over the lack of control and was compounded by the bureaucratic complexities of the process itself. Because of these concerns, in May 1980, I appointed 11 Virginians who were familiar with A-95 to serve on an advisory panel to evaluate how the process could be improved.

I want to express my appreciation to each of the hard-working members of the past panel for preparing for me a report on A-95 which I shall include as a part of the record.[1]

The Virginia report was prepared in December 1980. Many of the principles we advocated have been accepted by the President. They are accepted as part of the New Federalism as points of areas of new emphasis in Washington on how to restore the States to a condition of vitality and responsibility.

Let me now turn to the report of the Virginia A-95 panel which identified the following six major problems:

1. Failure of the Federal agencies to respond to negative comments by State and local governments;
2. No uniform criteria used by Federal agencies in the approval process and failure to provide clear instruction to grant applicants;
3. Extension of the A-95 process by the individual agencies to accomplish more purposes than initially intended;
4. Lack of sufficient time for proper review and coordination;
5. Insufficient financial support; and
6. Need for an audit mechanism to evaluate Federal agency compliance.

The A-95 panel made 18 recommendations for changes in the A-95 process and it falls into a number of categories. Mr. Chairman, so as not to take your time and that of the other members of the subcommittee, and these people who have traveled from afar to join you today, I would like to submit the balance of my statement for the record.

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[1] See p. 99.

I would like to commend you personally, sir, for your interest in this. If you can untie this knot and make it more efficient for all of us, you have done a great job for your country.

Thank you, sir.

Senator **Durenberger**. Thank you, very much for your statement and your compliments, all of which will be made a part of the record. [Laughter.] Thank you for being here.

[The prepared statement of Senator Warner follows:]

TESTIMONY
OF
JOHN W. WARNER

Subcommittee on Intergovernmental Relations
Senate Committee on Government Affairs

April 26, 1982

After my election to the Senate, many local and some state officials in Virginia expressed concern to me about OMB Circular A-95 which prescribed a review process for most federal grant activities to encourage consistency with state and local priorities. The complaints centered on the federal agencies ignoring local and state comments about proposed federal grants. For local officials, the frustration over lack of control was compounded by the bureaucratic complexities of the process itself. I found a widespread conviction in Virginia that major changes are needed in the A-95 process and the entire federal-state-local grant system if local and state governments are not to be turned into mere conduits for federal funds and policies.

Because of these concerns, in May of 1980, I appointed a panel of Virginians familiar with local government, intergovernmental relations, and operations of the Congress and the federal agencies to serve on an advisory panel to evaluate the impact of the A-95 process. Joseph H. Freeman III, city councilman and a member of the local planning district commission in Lynchburg, Virginia, chaired the panel. Unfortunately, Mr. Freeman could not be with us today because he is actively involved in a political campaign. However, I did want to take this opportunity to express publicly my appreciation to him and to each of the hardworking members of this panel for their dedication in preparing a report on how the A-95 process can be improved.

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At this time, Mr. Chairman, I would like to submit for your record the report prepared by the 11 Virginians who served on this A-95 Panel. Also, I plan to circulate to the members of the panel the conceptual outline of OMB's recommendations, and the panel may have some additional comments to submit for the record.

The recommendations of the Virginia A-95 Panel were made in December of 1980. I am pleased to report that many of the principles we advocated have been accepted by the President as part of the new federalism initiative. Any review of the A-95 process must take place in the broad context of restoring the states and localities to a condition of responsibility and vitality.

Fortunately, there is a new emphasis in Washington on the federal, state, and local government relationship. Congress has begun the long overdue process of sorting through the overloaded federal system to determine what government responsibilities can better be met by states and localities. Categorical grants are being consolidated into block grants with increased flexibility and less federal red tape.

I am a strong supporter of the President's new federalism initiative. It's time for the federal government to stop telling local governments how to fix potholes and concentrate on clearly federal concerns, such as the national defense and the economy. The inefficient maze of thousands of government programs answerable to no one should be replaced with clear lines of responsibility. Mr. Chairman, you have been a leader in working towards a stronger partnership among state, local, and federal governments so I am confident that the committee deliberations will be undertaken in that spirit.

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Let me now turn to the report of the Virginia A-95 Panel. The panel recommended that Congressional oversight hearings on A-95 be held, focusing on the primacy of areawide clearinghouses composed of representatives of general purpose local governments over all other federally mandated regional planning bodies and on the establishment of some local and state power to require alterations or to refuse federal grants within their jurisdictions. I certainly commend you, Mr. Chairman, for taking the initiative to hold these hearings.

In Virginia, the designated areawide clearinghouses for A-95 reviews have been the 22 planning district commissions. The state clearinghouse is now the Virginia Department of Planning and Budget. To assist the A-95 Panel in its deliberations, the planning district commissions were surveyed as well as a number of local governments.

A questionnaire circulated to all locally elected officials in one planning district elicited comments such as the following: "Question if our feedback has any impact;" "a large bureaucratic mess;" "impossible for a local government to control the destiny of its jurisdiction." The respondents voiced a strong preference for either a local or areawide veto over projects instead of merely being asked for comments. Some respondents were concerned that purely local projects not be subject to a regional veto, and a large majority thought there should be an appeals process for a local government and/or areawide clearinghouse if a funding agency approved a project after receiving negative comments from locals.

The results of this limited sampling were borne out by a survey conducted for this panel by the Virginia Municipal League. The survey was sent to 41 cities, 150 towns, and 10 urban counties. Sixty four responses

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were received with mixed results. According to the report:

> The conclusion that can be drawn, short of eliminating the program, is to make the three most recommended changes, none of which conflict. These are: requiring more feedback from federal agencies; strengthening the program by adding teeth to negative comments; and limiting the review process to certain agency programs.

The Virginia Association of Counties' report begins with the blunt observation: "While the A-95 process was originally intended to provide a method for fostering intergovernmental cooperation, it has evolved into a 'red tape' hindrance which in many cases causes friction between the several governments." The Virginia Association of Counties recommendations parallel the other requests for strengthening the local governments' opportunities to have a direct impact on the actual award of federal projects.

The report prepared on behlf of the planning district commissions identified six major problems in performing A-95 reviews:

- Lack of federal agency compliance with all the requirements of A-95, particularly regarding feedback on clearinghouse reviews.
- Lack of uniform criteria used by federal agencies in the approval process.
- The extension of the A-95 process by individual agencies to accomplish more ends than initially intended.
- Lack of time for proper review and coordination.
- Lack of appropriate financial support.
- Need for an audit mechanism to evaluate federal agency compliance.

The state clearinghouse reported that:

> Federal funding agencies continue practices which work to counter the objectives of A-95. These practices include funding projects prior to receipt of A-95 comments, failing to respond to negative comments, and providing unclear instructions to applicants regarding A-95 compliance.

The A-95 Panel made 18 detailed recommendations for changes in the

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the A-95 process which are included in their report. All the recommendations fall into four broad categories which I would like to highlight for you this morning:

- Congress should examine the extent to which federal agencies and their program client groups are able to circumvent the federally established policies for local, areawide, and state influence on grant decisions, and examine appropriate remedies.
- The federal government should clarify procedures for notification to and coordination by local, areawide, and state clearinghouses of federal grant-funded projects.
- Congress and the OMB should establish firm enforcement of federal rules regarding local, areawide, and state influence over the approval and coordination of federal grants, including a process for local, state and areawide entities to alter grant conditions or deny funding under appropriate circumstances.
- Congress should provide funding for adequate local/areawide planning and grant review from existing appropriations levels for federal programs if no other source is available.

I have had the opportunity to review the conceptual outline of OMB's suggested changes in the A-95 process and am pleased that it responds to many of Virginia's concerns.

It is entirely appropriate to give states the authority, in close consultation with locally-elected officials, to design their own grant review system. We have a very strong planning and budgeting system in Virginia which can be effectively utilized to determine state views and expanded to include local concerns. The Virginia A-95 Panel report criticized the Federal government for encouraging the creation of too many federally sponsored special planning organizations which circumvent general purpose units of government. I am glad that OMB's recommendations specifically discourage continued creation of special purpose planning organizations. I am also encouraged that the outline directs that new planning requirements

MORE

for state and local governments be minimized. The states and locals have suffered too long under excessive federal planning mandates which produce no clear results.

I am also pleased that the recommendations encourage federal agencies to accommodate state and local concerns about federal grants to the extent permitted by law. If the concerns cannot be accommodated, federal officials must explain the basis for their actions. I cannot over emphasize the importance of OMB putting some teeth into this principle and making certain that federal agencies do not continue to ignore state and local concerns.

Thank you, Mr. Chairman, for the opportunity to present this testimony and for your attention.

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Senator DURENBERGER. We will hear the testimony of Hon. Richard Carver, the mayor of Peoria, Ill. He will speak on behalf of the U.S. Conference of Mayors.

Mayor Carver, welcome back to the subcommittee.

TESTIMONY OF RICHARD CARVER, MAYOR OF PEORIA, ILL., ON BEHALF OF THE U.S. CONFERENCE OF MAYORS

Mr. CARVER. Thank you, Senator.

I appreciate the opportunity to interject my comments somewhat out of the normal schedule. However, I have to go debate the issue of federalism in about an hour.

For the record, I am Richard Carver, mayor of Peoria, Ill., and past president of the U.S. Conference of Mayors.

In the early part of my statement, you will read some comments about the experience that we have had in Peoria, Ill., relative to the A–95 process. I would like to expand on it to point out a couple of difficulties that I think are inherent in many of the communities across this country as it relates to the A–95 process.

Our regional planning commission, in fact, is an entity created by three counties to do land planning. Only because of its existence did it evolve into the A–95 review process. It is, in fact, a commission that has its sole source of appointment from the three-county chairmen. As a result, local governmental officials are only represented by the virtue of the county chairmen choosing to appoint one of them as a member of the Tri-County Regional Planning Commission. As I pointed out, this commission's main function is to do land planning, not the A–95 review process. Most, if not all, of the grants that come out of the metropolitan area, in fact, eminate from my city.

I have participated in the A–95 process for many years. Fundamentally, what you will find is very little review and comment because of the nature of the process. As a result, what occurs typically is some subjective commentary, some discussion and simply a passing on of the request to the State clearinghouse. This is unfortunate. As a member of the President's Commission on Housing, we just recently recommended that the A–95 process be eliminated for housing assistance programs, because of the time required and because of what little it adds to the process.

Conversely, as my written statement points out, those of us at the U.S. Conference of Mayors, as well as many mayors across the country, feel very strongly that a clearinghouse process should be developed in consultation with local government officials. This would give the mayor of a community an opportunity to participate in the development of the process. It can, in fact, clearly provide a means by which a good review can take place. I suspect there are communities across this country that do, in fact, have that opportunity. We are not one.

We feel strongly about some of the comments that have come out—for instance, those in the mailgram from Rich Williamson—referring to the allowance for State and local governments to design the type of intergovernmental review and coordination system. They want to review the Federal activities as an important aspect of any kind of future process. We further think that, as national organizations, we should have an opportunity to review the process as well. We want to make certain, from our perspective at the local level, that the mayors and local council members across this Nation are having a chance to get a truly viable system of review and comment—the true opportunity to have a real check and balance in the process.

About 7 or 8 years ago, as mayor of my city, I attempted to develop an organization that we called the Community Development Council. I would like to reflect on that for just a second.

In that particular situation, we brought all the local governmental units of our city into a single organization. We attempted to ask for the opportunity to use that group as a review and comment organization so that we could, in fact, make comments in an organized manner through the A–95 process. Interestingly enough, the State clearinghouse was willing to allow that, as were the Federal agencies. However, the three counties felt that, in some way, that was stepping into their area of activity. Therefore, they denied us that opportunity. A very curious situation. The 13 local governmental units that operate in my city were willing to spend the time, energy and effort to truly do a review and organize comments on our grants. Yet, they were denied the chance to even do it in an organized manner.

There are 260 separate taxing units in the tri-county area with a population base of 390,000. Just imagine the kind of chaos you have unless you have some type of a good clearinghouse process that allows for true comment. I think that would be very helpful on a Federal grant. However, we don't have it. We think there may be a way it can be achieved. We think if local government officials are offered the opportunity to participate in a development of a more viable system, then we will attempt to do so equally as well as we can. If the U.S. Conference of Mayors, the National League of Cities and others are offered an opportunity at the national level to participate, then we can strengthen the process.

I can make as many arguments as I choose about why A–95 has not worked, why it ought not be allowed, and why it ought to be eliminated. The elected officials don't have accountability. In fact, there is a hard reality that doesn't escape us, which is simply we are expending Federal funds where there is an obligation, in my opinion, to expend them as efficiently as we possibly can.

There is, in fact, a need for an effective clearinghouse process, an effective review and comment process, with good input on the part, particularly, of the general purpose units of local government. There needs to be a chance to avoid overlap, a chance to avoid redundancy, and a chance to avoid conflict on occasions between local, State, and Federal programs. A chance is needed, in effect, to insure the efficient use of Federal dollars. That will only occur if the local government officials are involved.

Those people who are accountable for the expenditure of the Federal dollars and who, in my judgment, are concerned about the efficient use of the Federal dollars, I think, will provide something effective if they have a chance for an effective process for review and comment through the A–95 review.

I really truly appreciate, Senator, what you are doing here. I appreciate your commitment to the intergovernmental process. I appreciate, frankly, your concern that this be done better than it has been done in the past. I can assure you that I, individually, and the U.S. Conference of Mayors, as an organization, stand ready to do anything we can do to assist in seeing that the best possible process evolves out of these hearings and the other efforts to examine A–95.

I thank you for the chance to testify. I hope you will have an opportunity to read some of my written comments which will go, in certain instances, into more detail about the local, as well as the national, experience.

Thank you, very much.

Senator DURENBERGER. Thank you very much, Dick, for your statement. Your full written statement will be made a part of the record. Since you have a time bind, we will excuse you. Thank you for testifying.

[Mr. Carver's prepared statement follows:]

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TESTIMONY OF

THE HONORABLE RICHARD CARVER

MAYOR OF PEORIA

ON BEHALF OF

THE UNITED STATES CONFERENCE OF MAYORS

BEFORE THE

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

UNITED STATES SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

APRIL 26, 1982

MR. CHARIMAN, MEMBERS OF THE SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS, THANK YOU FOR THIS OPPORTUNITY TO TESTIFY ON BEHALF OF THE UNITED STATES CONFERENCE OF MAYORS ON PROPOSED REVISIONS TO OMB CIRCULAR A-95.

MY NAME IS RICHARD CARVER, I AM THE MAYOR OF PEORIA, ILLINOIS, AND A PAST PRESIDENT OF THE U.S. CONFERENCE OF MAYORS. IN ADDITION, AS DETAILED IN THIS TESTIMONY, I HAVE WORKED EXTENSIVELY ON BOTH FEDERAL AND STATE LEVELS TO PROMOTE ADEQUATE AND FAIR LOCAL GOVERNMENT INVOLVEMENT BY LOCALLY ELECTED OFFICIALS IN FEDERAL AND STATE DECISION-MAKING PROCESSES. THE THRUST OF MY TESTIMONY TODAY WILL BE TO REAFFIRM THE IMPORTANCE, INDEED, THE CRITICAL IMPORTANCE, OF THE PARTICIPATION OF LOCAL ELECTED OFFICIALS IN ALL DECISIONS REGARDING THE PRACTICALITY AND EFFECTIVENESS OF THE DELIVERY OF GOVERNMENTAL SERVICES REGARDLESS OF THE SOURCE OF FUNDING OR THE LEVEL OF POLICY FORMATION FOR THOSE SERVICES.

WE HAVE HAD THE MOST ILLUSTRATIVE OF EXPERIENCES WITH THE A-95 PROCESS IN PEORIA. THAT CIRCULAR IS IMPLEMENTED IN MY CITY BY A THREE-COUNTY, LAND-PLANNING CONSORTIUM WITHIN WHICH PEORIA HAS NO, I REPEAT, NO, REPRESENTATION. DESPITE THE FACT THAT AT LEAST 90% OF ALL FEDERAL FUNDS FLOWING INTO THE AREAS COVERED BY THIS CLEARINGHOUSE ULTIMATELY END UP IN PEORIA, WE HAVE ZERO REPRESENTATION ON THE BOARD. EVEN IF WE WERE TO LAY ASIDE QUESTIONS OF SYMPATHY FOR THE TYPES OF PROGRAMS PEORIA IS TRYING TO IMPLEMENT IN THIS SITUAION, WE WOULD STILL BE CONFRONTED BY THE SIMPLE FAILURE ON THE PART OF OUR A-95 REVIEW

AGENCY TO UNDERSTAND THE PROGRAMS WHICH SUPPORT OUR EFFORTS IN PEORIA. FOR EXAMPLE, 100% OF THE PUBLIC HOUSING AVAILABLE IN OUR CLEARINGHOUSE REGION IS LOCATED IN PEORIA. YET NO ONE, EITHER STAFF OR ELECTED OFFICIALS, IN THE CLEARINGHOUSE HAVE HAD ANY EXPERIENCE WITH PUBLIC HOUSING ISSUES.

IN ADDITION, I SERVE AS CHAIRMAN OF GOVERNOR THOMPSON'S STATE-WIDE BLOCK GRANT ADVISORY BOARD. IN THAT CAPACITY, I AM FAMILIAR WITH THE PROBLEMS THAT ARE GENERATED WHEN DECISIONS OVER LOCAL FUNDING AND IMPLEMENTATION OF PROGRAMS ARE MADE AT THE STATE LEVEL. IN PEORIA, LOCAL USE OF THE A-95 PROCESS HAS NOT WORKED WELL, AND REMOVAL OF THAT CONSULTATION PROCESS TO THE STATE LEVEL WOULD VEST THE DECISION-MAKING POWERS IN AUTHORITIES THAT ARE EVEN MORE REMOTE THAN OUR THREE-COUNTY BOARD, AND, EVEN OUR LOCAL BOARD HAS HAD ENORMOUS DIFFICULTIES IN COMPREHENDING THE PROGRAM ISSUES MY CITY FACES IN DELIVERING SERVICES TO PEOPLE IN NEED.

THIS SHORT LISTING OF THE PROBLEMS ASSOCIATED WITH STATE PLANNING AND THE COMPETENCE OF OUR LOCAL A-95 AGENCY IS IN NO WAY INTENDED TO BE A CONDEMNATION OF THOSE EFFORTS. THE GOVERNOR AND THE STATE LEGISLATURE, AND OUR LOCAL A-95 AGENCY, HAVE EACH WORKED DILLIGENTLY TO UNDERSTAND THE DIFFICULTIES AND THE REALITIES OF IMPLEMENTING PROGRAMS IN A CENTRAL CITY SETTING. HOWEVER, THE BEST ADVICE AVAILABLE TO THOSE WHO TRY TO OVERSEE THE IMPLEMENTATION OF PROGRAMS IS AVAILABLE FROM THOSE, LIKE THE PROGRAM MANAGERS IN MY CITY, WHO ACTUALLY IMPLEMENT PROGRAMS.

REGARDLESS OF THE CHANGES TO BE MADE IN A-95, TWO ESSENTIAL CRITERIA MUST BE THE POLESTARS OF THE EFFORT: COORDINATION OF

SIGNIFICANT AMOUNTS OF FISCAL RESOURCES ABSOLUTELY REQUIRES INVOLVEMENT OF ELECTED OFFICIALS; AND, SECOND, IT IS IN THE BEST INTERESTS OF ALL PARTIES, FEDERAL, STATE AND LOCAL, THAT THE MOST EXTENSIVE CONSULTATIONS POSSIBLE BE AVAILABLE TO FEDERAL POLICY-LEVEL OFFICIALS AND PROGRAM MANAGERS ALIKE. MY COMMENTS WILL ADDRESS THESE TWO ISSUES.

WE AT THE CONFERENCE OF MAYORS ARE ENTERING THIS PROCESS WITH TWO DOCUMENTS. THE FIRST IS THE CONCEPTUAL OUTLINE PROVIDED BY THIS COMMITTEE, AND THE SECOND IS A MAILGRAM FROM MR. RICH WILLIAMSON WHO IS PRESIDENT REAGAN'S LIAISON WITH STATE AND LOCAL GOVERNMENTS. THE DISCUSSION BELOW IS BASED ON THOSE TWO DOCUMENTS. MY INTENT HERE IS TO DISCUSS FIRST, THE ACTUAL PROPOSED CHANGES IN A-95, SECOND, THE IMPORTANCE OF CONTINUING DIRECT CHANNELS OF COMMUNICATION BETWEEN THE FEDERAL EXECUTIVE AND SPECIFIC STATE AND LOCAL GOVERNMENTS, AND, FINALLY, THE NEED TO REVITALIZE FEDERAL CONSULTATIONS WITH THE NATIONAL ORGANIZATIONS OF ELECTED OFFICIALS OF GENERAL PURPOSE STATE AND LOCAL GOVERNMENTS.

PROPOSED CHANGES IN A-95

WITH REGARD TO THE PROPOSED CHANGES TO THE CIRCULAR ITSELF, WE HAVE ONLY ONE BASIC CONCERN. THAT CONCERN, HOWEVER, IS THAT THERE IS INSUFFICIENT PROTECTION OF THE INTERESTS OF ELECTED OFFICIALS OF LOCAL GOVERNMENT IN THE STATE DESIGNATION PROCESS. IF, FOR EXAMPLE, THE STATE FAILS TO ACT TO ESTABLISH AN "OFFICIALLY DESIGNATED AGENCY," OR, WHERE A STATE ACTS BUT THE ACTION IS INADEQUATE TO REFLECT REALISTICALLY LOCAL POLICY, THERE IS NO PROVISION IN THE LANGUAGE WE HAVE SEEN THAT WOULD GUARANTEE OR EVEN ALLOW LOCAL DEVELOPMENT OF A CONSULTATION MECHANISM. LOCAL ELECTED OFFICIALS SHOULD HAVE A ROLE IN BOTH THE PLANNING AND

OPERATION OF CLEARINGHOUSES OR CONSULTATION MECHANISMS THAT AFFECT LOCAL PROGRAMS.

THIS NEED FOR REAL LOCAL INVOLVEMENT IS MADE DOUBLY IMPORTANT BY VIRTUE OF THE EMPHASIS ON THE "OFFICIAL" NATURE OF THE DESIGNATION TO BE PROVIDED TO THESE PROCESSES. THE LANGUAGE WE HAVE SEEN STRESSES THAT THE FEDERAL AGENCIES WOULD UTILIZE THE "OFFICIALLY DESIGNATED STATE PROCESS" AND THAT THE CONSULTATIONS UNDER THAT PROCESS WOULD TRIGGER THE FEDERAL RESPONSIBILITY TO BE RESPONSIVE TO STATE AND LOCAL CONCERNS, TO ATTEMPT TO ACCOMMODATE THOSE CONCERNS, AND TO OFFER EXPLANATIONS WHEN THOSE CONCERNS CANNOT BE REFLECTED IN THE FINAL POLICY. AS IT APPEARS THAT THESE MECHANISMS WILL PROBABLY BECOME THE ELEMENTARY SOURCES OF CONSULTATION, GREATER ASSURANCES ARE NEEDED THAT LOCAL ELECTED OFFICIALS WILL BE HEARD. LATER IN MY TESTIMONY I WILL DISCUSS THE PROBLEMS THAT COULD ARISE IF EFFORTS WERE MADE TO MAKE THE NEW A-95 MECHANISM THE SOLE MEANS OF OFFICIAL CONSULTATION.

WE ARE ENCOURAGED BY THE DRAFT LANGUAGE THAT WOULD PROVIDE FOR CONSOLIDATION AND SIMPLIFICATION OF FEDERALLY MANDATED STATE PLANS. THE CONFERENCE OF MAYORS HAS ALWAYS ADVOCATED LOCAL INVOLVEMENT IN THE STATE PLANNING PROCESS AND WE WOULD HOPE THAT THE NEW ORDER WOULD PROVIDE FOR THAT INVOLVEMENT. FOR EXAMPLE, IF STATE SYSTEMS ARE TO BE SUBSTITUTED FOR FEDERAL SYSTEMS, AS SUGGESTED IN THE DRAFT LANGUAGE, PART OF THE ASSESSMENT OF WHETHER THE "STATE PLANNING AND BUDGETING SYSTEMS ARE SUFFICIENT," SHOULD INCLUDE A REVIEW OF THE ROLE THAT LOCAL ELECTED OFFICIALS HAVE IN THE DESIGN AND IMPLEMENTATION OF THE PLAN.

IN HIS MAILGRAM, MR. WILLIAMSON STATES THAT THE ULTIMATE GOAL OF THE NEW SYSTEM WILL BE TO ALLOW "EACH STATE AND LOCAL

GOVERNMENT TO DESIGN THE TYPE OF INTERGOVERNMENTAL REVIEW AND COORDINATION SYSTEM IT WANTS TO REVIEW FEDERAL ACTIVITIES." THIS WOULD INDEED BE A MAJOR ACHIEVEMENT. IT WILL BE DIFFICULT TO REALIZE, HOWEVER, GIVEN THE FLAW THAT WE SEE IN THE DRAFT LANGUAGE. WHILE IT IS CLEARLY THE POLICY OF THIS ADMINISTRATION TO DEFER TO THE EXTENT POSSIBLE TO THE GOOD JUDGMENTS OF THE STATES, IT IS EQUALLY IMPORTANT TO RECOGNIZE THAT LOCAL ELECTED OFFICIALS ARE OFTEN THE LINCHPINS IN THE IMPLEMENTATION OF BOTH FEDERAL AND STATE PROGRAMS. THE LANGUAGE OF THE ORDER SHOULD RECOGNIZE THIS IMPORTANT ROLE OF LOCAL ELECTED OFFICIALS.

DIRECT FEDERAL INVOLVEMENT WITH STATE AND LOCAL GOVERNMENTS

I HAVE MENTIONED ABOVE THE POTENTIAL DANGER OF RELIANCE ON THE NEW A-95 PROCESS AS THE PRIMARY MECHANISM FOR FEDERAL CONSULTATION WITH STATE AND LOCAL GOVERNMENTS. SOME MENTION SHOULD BE MADE IN THE ORDER THAT DIRECT CONSULTATION WITH STATE AND LOCAL OFFICIALS ON MATTERS OF GENERAL CONCERN, OR EVEN ON SPECIFIC MATTERS, ARE ALSO PERMISSIBLE AND ARE ENCOURAGED. WHILE IT MAY BE APPROPRIATE TO REQUIRE FEDERAL AGENCIES TO CONSULT WITH STATE AND LOCAL OFFICIALS THROUGH THE "OFFICIALLY DESIGNATED STATE MECHANISM" AND TO REQUIRE RESPONSES OUT OF FEDERAL AGENCIES TO CONCERNS RAISED IN THE OFFICIAL PROCESS, INFORMAL CHANNELS OF DIRECT COMMUNICATION SHOULD BE LEFT OPEN. QUITE SIMPLY, IF THE SECRETARY OF HUD OR THE HUD REGION VII REPRESENTATIVE, WANT TO MEET WITH THE MAYORS OF SEVERAL ILLINOIS CITIES TO DISCUSS THE PROBLEMS OF MANAGING A CERTAIN HUD PROGRAM, IT SHOULD BE CLEAR FROM THE PROPOSED ORDER THAT SUCH CONSULTATIONS ARE ALLOWED.

REVITALIZING FEDERAL CONSULTATIONS WITH THE NATIONAL ORGANIZATIONS OF ELECTED OFFICIALS OF GENERAL PURPOSE GOVERNMENTS

MR. CHAIRMAN, AS A PAST PRESIDENT OF THE U.S. CONFERENCE OF MAYORS, I AM KEENLY AWARE OF THE CONTRIBUTIONS THAT THE GROUPS THAT REPRESENT CITIES, COUNTIES AND STATES MAKE TO THE CONGRESS, TO THE FEDERAL EXECUTIVE IN THE DESIGN AND FULFILLMENT OF PROGRAM GOALS, AND TO THEIR CONSTITUENTS IN SHARING INFORMATION AND MAKING SENSE OF PROPOSED FEDERAL POLICIES. I HAVE ALSO SERVED ON THE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS AND HAVE SEEN THE VALUE OF THE PARTNERSHIPS CREATED BY FEDERAL, STATE AND LOCAL GOVERNMENT OFFICIALS. OUR REPRESENTATIVE NATIONAL ORGANIZATIONS, THE CONFERENCE OF MAYORS, THE NATIONAL LEAGUE OF CITIES, THE NATIONAL ASSOCIATION OF COUNTIES, THE NATIONAL GOVERNORS ASSOCIATION AND THE NATIONAL CONFERENCE OF STATE LEGISLATURES, ALONG WITH SUPPORT FROM THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION AND THE COUNCIL OF STATE GOVERNMENTS, ARE VERY OFTEN THE MORTAR THAT KEEPS THOSE PARTNERSHIPS TOGETHER. THEY ARE OUR ESSENTIAL VEHICLES FOR THE EXCHANGE OF VIEWS AND INFORMATION.

THERE USED TO EXIST A CONSULTATION VEHICLE IN THE FORM OF AN OMB CIRCULAR WHICH WAS DENOMINATED A-85. THE PURPOSE OF THAT CIRCULAR WAS TO PROVIDE FOR CONTINUING AND EARLY CONSULTATION ON MAJOR FEDERAL PROPOSALS WITH OUR NATIONAL GROUPS. THE PROCESS WAS MONITORED BY ACIR AND, WHILE THERE WERE SOME PROBLEMS WITH IT, THE LOSS OF THAT ACCESS HAS BEEN HARMFUL TO THE EXCHANGE OF INFORMATION AMONG THE VARIOUS LEVELS OF GOVERNMENT.

AN ADDITIONAL COMPLICATION WHICH HAS ARISEN WITH REGARD TO ALL CONSULTATIONS WITH ELECTED OFFICIALS AND THEIR NATIONAL ORGANIZATIONS IS THE INTERPRETATION CURRENTLY GIVEN BY FEDERAL

COURTS TO THE FEDERAL ADVISORY COMMITTEE ACT. MR. CHAIRMAN, YOU AND SENATOR SASSER ARE TO BE COMMENDED FOR YOUR CONSIDERABLE EFFORTS IN RECENT WEEKS TO CLARIFY THE MEANING OF THE ADVISORY COMMITTEE ACT SO THAT ESSENTIAL DISCUSSIONS BETWEEN GOVERNMENTAL OFFICIALS ARE NOT IMPEDED. YOUR SUCCESS IN ADDING AMENDATORY LANGUAGE TO THE REGULATORY REFORM BILL REGARDING FACA WILL GO A LONG WAY TOWARD IMPROVING THE ENVIRONMENT WITHIN WHICH INTERGOVERNMENTAL CONSULTATIONS CAN TAKE PLACE.

THE NATIONAL ORGANIZATIONS OF ELECTED OFFICIALS HAVE LONG BEEN RECOGNIZED AS VALUABLE PARTICIPANTS IN THE INTERGOVERNMENTAL SYSTEM. THEY ARE NAMED IN THE ACT ESTABLISHING ACIR, THEIR MEMBERS ARE GOVERNMENTS REPRESENTED BY ELECTED OFFICIALS AND THEIR SUPPORT IS DERIVED FROM DUES WHICH ARE APPROPRIATED IN THE NORMAL BUDGETARY PROCESS OF THE STATE OR LOCAL GOVERNMENT. THESE ORGANIZATIONS PROVIDE THE CONGRESS AND THE EXECUTIVE WITH A READY MEANS TO MEET WITH REPRESENTATIVE GROUPS OF ELECTED OFFICIALS ON MATTERS OF PUBLIC POLICY.

EFFORTS SHOULD BE MADE, THROUGH THE PROPOSED CHANGES TO A-95, THROUGH YOUR FACA AMENDMENT, AND ELSEWHERE, TO REVITALIZE THE CONSULTATION PROCESS BETWEEN THE FEDERAL GOVERNMENT AND OUR NATIONAL ORGANIZATIONS. THIS SUBCOMMITTEE HAS CONSISTENTLY DEMONSTRATED A SENSITIVITY TO THESE ISSUES AND I CAN ASSURE YOU THAT THE CONFERENCE OF MAYORS WILL CONTINUE TO WORK WITH YOU TO EFFECT SOLUTIONS WHICH PROMOTE THE INTERGOVERNMENTAL PARTNERSHIP.

THANK YOU FOR YOUR TIME THIS MORNING. I WOULD BE PLEASED TO ANSWER QUESTIONS.

Senator DURENBERGER. We will take the last three witnesses as a panel. The witnesses are Hon. Curtis Kiser, minority floor leader, Florida House of Representatives, who is here representing the National Conference of State Legislatures; Mr. Jim Martin, legislative counsel for the National Governors' Association; and Suzanne Muncy, intergovernmental coordinator for the National Association of Counties.

Curt, I know you have a statement. You may either read it or summarize it as you see fit.

TESTIMONY OF S. CURTIS KISER, MINORITY FLOOR LEADER, STATE OF FLORIDA LEGISLATURE, ON BEHALF OF THE NATIONAL CONFERENCE OF STATE LEGISLATURES; JAMES L. MARTIN, LEGISLATIVE COUNSEL FOR THE NATIONAL GOVERNORS' ASSOCIATION; AND SUZANNE MUNCY, ON BEHALF OF SCOTT FOSLER, COUNCILMAN, MONTGOMERY COUNTY, MD., CHAIRMAN, INTERGOVERNMENTAL AFFAIRS AND LOCAL DETERMINATION STEERING COMMITTEE, NATIONAL ASSOCIATION OF COUNTIES

Mr. KISER. Thank you, Mr. Chairman.

First of all, let me thank you for the opportunity to be here to address the reform of the A-95 regulations and to bring you the concerns of the National Conference of State Legislatures.

Before I start I would like to say that I have reviewed very carefully your specific proposals for federalism and say that I am very fond of them. I think they are very well oriented. I very much like your approach which bases the funding mechanism on the income tax as opposed to using the excise tax. I think if that were the current proposal, we would have a lot more progress than we are currently having. I want to let you know that I fully endorse the approach you have taken and commend you for taking the time to work up such a well thought out alternative.

Senator DURENBERGER. Thank you. I appreciate your insight.

Mr. KISER. I have been the minority leader for the last 4 years in Florida. I have served in the legislature for 10 years. I have been active for the last 5 years with the National Conference of State Legislatures and currently serve as the chairman of the Government Operations Committee which carries the responsibilities for policies on Federal tax issues, budget issues and Federal assistance grant issues.

I also would like to bring you up to date. Just as currently as last week our assembly, the State-Federal Assembly of the National Conference, met here in Washington. We adopted a specific policy on the A-95 Circular, which is attached to my statement.[1] The policy notes that coordination among Federal, State, and local governments is essential for effective government and cost-effective services. It is essential that strong requirements be placed on the Federal agencies, both to provide information on activities being planned and dollars being spent, and to give State and local elected officials a role in insuring that Federal programs do not interfere or compete with existing or planned State and local programs. While, in some cases, national concerns may need to override State and local concerns, in the majority of instances the Federal grant-in-aid programs should be seen as a complement to State and local efforts.

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[1] See p. 93.

Currently there are mixed results around the country with the A–95 process. Because of its current structure, State legislative involvement in the process has been minimal. The present A–95 process gives Governors the authority to establish and designate State clearinghouses, and it views the Governor as the focal point for review and comment. There is a need to provide more State legislature participation in the Federal grant planning process.

Planning includes such functions as the coordination of programs, the elimination of overlap and the establishment of the most efficient program management. State legislature involvement in these areas cannot be questioned. Any process should recognize the important planning role State legislatures play in setting priorities and in developing State programs and policies through State statutes, budgets, and appropriations. Planning and programing decisions have implications for the use of State matching funds and for possible takeover of programs where Federal funds run out. Coordinating plans and proposals involves budget and appropriation work which is the primary responsibility of State legislatures.

Thus, in any reform of the current A-95 process, NCSL urges that it include the recognition of a State planning process, designed and developed by the State legislative and executive branches with consultation from local elected officials, not one designed and required by the Federal Government. We also urge that, once this official State planning mechanism is developed by a State with its local governments, Federal agencies be required to utilize this planning process to determine the views of State and local elected officials.

My own State of Florida has developed—out of necessity—a strong and coordinated planning process. Florida's population continues to grow dramatically, and planning is essential to good government practices with such rapid growth. Up until 1 year ago, our State regional planning boards were entirely made up of local officials. Recently we have stipulated that one-third of the members be appointed by the Governor. Even so, many of these appointments are local representatives, and a clear majority has been maintained. I think there is no question that similar arrangements would be continued under any new State planning process.

I'd like to also point out the unique features of State legislatures in State/local issues. Each elected member of any State's house or senate is elected from a local district, oftentimes smaller than a mayor's electorate. Thus, the actions of State legislatures are more influenced by local needs and concerns than the statewide office of a Governor could ever be. We should keep this in mind as we discuss safeguards for local governments in any planning process.

The issue that is the most crucial of all is what any given Federal agency will do with the information it receives from the State planning process. Under the old A–95, we felt some protection because we could hold OMB responsible for insuring compliance by the Federal agencies. It is very unclear who we could hold responsible under the new arrangement. Assurance that all Federal agencies will comply with these requirements is vital if the process is to be effective. Oftentimes circulars and Executive orders have not provided the force needed for Federal agency compliance. The subcommittee might consider requiring Federal agency compliance through Federal statute to insure the simplification and coordination among Federal agencies in utilizing the developed State mechanism for the Federal grant planning process.

NCSL would like to stress the importance of the Federal Government's recognition of an officially designated State mechanism for planning purposes. Only through their own development can State and local governments provide for a planning mechanism best suited for their particular State. The development and use of this official mechanism will not only coordinate Federal programs with State and local government programs but will strengthen the cooperation between State and local governments in coordinating their own programs and dollars. Under current procedures the Federal Government looks to a variety of planning organizations in the State—some established through Federal statutes—and not to any single planning process that coordinates all their efforts. The subcommittee may want to review the number of special purpose planning organizations that have been created by Federal statute.

Any reform to the A–95 process must require Federal agencies to provide the earliest possible notice to State and local elected officials of intended Federal programs, plans, and proposed actions. This, again, is essential if State and local governments are to control and coordinate Federal, State, and local funds in the most cost-effective means possible. The members of the subcommittee are well aware of the fiscal crisis that all levels of governments are faced with. The efficient use of our limited public resources is not only necessary but crucial. The earliest possible notice of Federal plans will allow State and local governments to immediately communicate their concerns to the Federal agencies. Once this communication is received by the Federal agencies, there must be assurances that they will accommodate the concerns voiced to the fullest extent permitted by law, respond to them, act on them and keep the State and local governments informed of any actions taken.

Because prescriptive rules and regulations can limit the effectiveness of any process, NCSL urges that the established notice and communication procedures be as simple as possible. Many times we have seen various Federal agencies requiring a number of different procedures for the same regulation. We ask that the Federal agencies be directed to coordinate and simplify their notice procedures and communication efforts so that the developed State mechanism will not be required to receive and respond through a variety of different procedures.

Let me spend another moment on this compliance question. The issue of getting timely and usable information to the States on the expenditure of Federal grant moneys has long been a priority of OMB, even under the Carter administration. Numerous demonstration projects were run, culminating in the choice of the FAADS system—the Federal Assistance Award Data System—as the most efficient approach. The current A–95 process includes a tracking of Federal funds. The process even assigns each transaction a number which is retained by the FAADS system. However, after more than a year of use, a number of Federal agencies have yet to begin complying with the simple fiscal information requirements of the FAADS system. How can we expect these same agencies to comply with the much more complex notification and compliance with State comment requirements which are the heart of the A-95 process?

In summary, Mr. Chairman, NCSL supports a reform of the A-95 process that insures coordination among Federal, State, and local governments by:

1. Providing prompt information to State and local governments on Federal plans; and
2. Allowing, wherever possible, State planning processes to determine the views of State and local elected officials.

To accomplish these goals, Federal agencies should be required to:

1. Utilize State planning processes to determine the views of State and local elected officials;
2. Provide the earliest possible notice to designated State planning agencies of intended programs;
3. Accommodate the concerns of State and local elected officials in developing Federal programs to the extent permitted by law;
4. Coordinate and simplify their notice procedures and communication efforts; and
5. Discourage the establishment or maintenance of special planning organizations.

I thank you again for this opportunity. I'll be glad to answer any questions you may have. I also might have some comments in response to the previous groups.

Senator DURENBERGER. Thank you.

Mr. Martin?

Mr. MARTIN. Thank you, Mr. Chairman, for inviting the National Governors' Association to once again testify on items before this subcommittee.

My personal experience of 15 years with the National Governors' Association and the issue that I have spent the most time on was General Revenue Sharing and the second issue was the Intergovernmental Cooperation Act of 1968.

I might add some comments that are not in my statement which may be personal. However, I think it is important to state that the act is, in essence, an act of and for the States.

In November 1966, the Governors called for an unprecedented winter meeting in White Sulphur Springs, W. Va. Both Republicans and Democrats were there. The purpose of that meeting was due to the absolute confusion the Governors were facing because of the rash of categorical programs which had been passed in the early sixties. Governor Moore of Missouri was chairman of the Democratic Governors and Gov. Harold Hughes of Iowa was vice chairman. They called a press conference, at which they blasted President Johnson personally and the White House on the entire approach to the intergovernmental relations.

The President was very surprised. It was at that time that the Democratic Party had two-thirds majority in both Houses. It was unheard of that anyone would complain about or criticize President

Johnson. Yet, they did it. It was on the front pages of all papers across the country.

Senator DURENBERGER. If it was really 1968, it wasn't really unheard of.

Mr. MARTIN. November of 1966.

Senator DURENBERGER. Thank you.

Mr. MARTIN. He called them all from the White House and wanted to know what was wrong.

Senator DURENBERGER. The Governors started the whole thing—McCarthy and others?

Mr. MARTIN. Well, he then called in 40 Deputy Secretaries. He put them all on a plane; sent them to the States, and told them to go out there and find out what was wrong. It became known as the "Flying Feds." They still have a party around each New Year's Day.

The Governors also said they wanted an Office of Federal-State Relations established, the first of its kind, with an office in Washington. I came to work with them at that time.

Senator Muskie responded to the problems by holding hearings and passing this Intergovernmental Cooperation Act, which had the White House's support. Dave Walker was staff director of the subcommittee at that time. I participated in the writing of the act and all of the circulars—A-95, A-96, A-97, and A-98. In 1971, I took a year to survey all four circulars. Under President Nixon's Federal assistance project review, I met personally with every Federal regional council for 1½ days. Then I wrote an extensive report, bringing all this information together.

Sorry for that background, but that is the background of the act. I have had a lot of personal experience with it. This was followed immediately by a national organization organized from our office, and led by former Gov. John Connally of Texas.

The States would designate sub-State districts. That is why you have 44 States today with sub-State districts. They are officially designated sub-State districts. Pursuant to State law, either the legislature or the Governor is authorized to set up these districts. I cannot believe they would suddenly disappear. They are operating State-local cooperative districts between State and sub-State districts.

I will summarize my comments to say that the major problem with the current A-95 is that very few elected officials at the State and local level seem to know much about the Intergovernmental Cooperation Act, much less A-96, A-97, and A-98. A-98 might have disappeared. That is the Geographical Distribution of Federal Funds.

The parts of the White House proposal that are, I think, the key to it, are its key words. We haven't seen the final draft of the Executive order or the policy statement. We received our first copy of a letter from Rich Williamson last week. We have circulated that to every Governor and have since heard back from the Governors of Maryland, Delaware, North Carolina, and Tennessee. They say that the A-95 process in their State is working well and they will continue. They do not want a change that will adversely affect what they are now doing. They are using the A-95 system although they would support some changes.

I think the important reasons for the changes are the key words. The key words are "elected" not "appointed;" "governments" not "organizations;" "consultation" not "regulation;" "early warning" not "notice;" and "State process" not "Federal process." The objectives of the proposal should stay essentially as they are written; however, additional clarification is necessary.

Nothing is said about direct Federal involvement. That is a major problem. It is a major portion of A–95, and, for State concerns, that is a major problem—direct Federal involvement; the entire Defense Department, all of your reserves for the Interior Department, and the Corps of Engineers. Direct Federal involvement is a part of A–95, and is not mentioned in the circular. They must continue the notification to the State and local governments of direct Federal involvement.

In the enforcement of these State decisions there is a weak link, getting the Federal officials to pay any attention to comments. Consequently, if you go through the trouble of making comments and no one pays any attention to them, very rapidly you forget it and don't make comment.

We would oppose the encumbrance of the new Executive order or policy statement with what I call "equivocal language." It has been already suggested by one organization. Specific amendments to this proposal by the Director of the OMB uses such words as "organization," "agencies," "councils," "majority," "system," and "clearinghouses." These are not in the act. All of those words can be used to get around the purposes of the act, which is to deal with the elected officials of State and local government and to hold them responsible for the decisions they make.

Some have questioned if the circular has more legal authority and power than the Executive order. I think that is a hard question to answer. We do use the Executive order for the administration of section 504 of the Rehabilitation Act. We have used it for the administration of the Clean Air Act, which cuts across many departments and agencies. The Executive order implemented the Federal Paperwork Reduction Act of last year, which seems to be operating very well this year.

In summary, Mr. Chairman, I would just say that there have been, in the last 3 or 4 months, at least five national polls by CBS, ABC, newspapers, Gallup polls, and Harris polls, just in the last 6 months to a year. Every one of these polls, as well as the in-depth studies of the Governors—ACIR just finished their 18-volume study on intergovernmental relations—the polls and studies all come to the same conclusion: That the mistrust characterized by State-Federal relations in recent years should be put aside.

The efforts of many individuals in policymaking positions in the Federal Government favor matters of appropriate government roles. Federal efforts to strengthen the States' roles need to be acknowledged and reinforced so that they might be sustained.

The proposed statement or Executive order would revive the Intergovernmental Cooperation Act. We would support, Mr. Chairman, any hearing you may wish to have on the whole act; how to use that in the process of New Federalism; and, perhaps, even for the boilerplate language in the implementation of block grants. That act is very broad. The ideas we hear today on New Federalism are already there.

Thank you, Mr. Chairman.

Senator **Durenberger.** Thank you.

In case you thought A-98 was lost, we have a bumper sticker now in the subcommittee saying, "We found it." We are holding a hearing on it on the 5th.

Ms. Muncy?

Ms. MUNCY. I am speaking today on behalf of council member Scott Fosler from Montgomery County, who is chairman for NACo's Intergovernmental Affairs and Local Determination Committee. This is the policy committee which has jurisdiction for regional matters. I appreciate this opportunity to present the views of NACo on the administration's proposed changes to Circular A-95.

Chairman Durenberger and distinguished members of the Subcommittee on Intergovernmental Affairs, my name is Suzanne Muncy, intergovernmental coordinator for Montgomery County, Md., and I am speaking for Scott Fosler. I have worked on A-95 since its inception.

The National Association of Counties (NACo) has a long history in support of regional cooperation. The committee which I chair was first organized shortly after the 1968 Intergovernmental Cooperation Act to foster and insure that regional cooperation was recognized in all NACo policies and to encourage counties, nationwide, to develop and support regional approaches in appropriate government programs. The Association's entire membership has reaffirmed a basic regional policy at each of our annual meetings since then. The cornerstone of our regional plank rests on the strengthening of local government, its authorities and finances. Our policy specifically states that any consideration of regional approaches "must be based on the need to strengthen and improve the capability of local government to serve the people."

Our policy also supports the creation and use of regional councils as a "forum where local officials can discuss and seek solutions to regional problems." However, our support for such councils rests on certain provisions. At the heart of this matter is simply this: Regional councils, as seen by county officials, are tools for local governments and are not, by themselves, governmental units. As such, they are to be controlled by the local elected officials of the surrounding governmental bodies. They shall have no taxing authority and, most importantly, they should not be mandatory.

Our American county platform specifically states:

> Local elected officials in each area should decide the question of mandatory or voluntary membership and the basis for voting and funding.
>
> The regional council, in this context, is not another layer of government, shall not have taxing authority, nor be an agency having operational service delivery responsibilities, and thus be advisory only. The regional council is a means for local governments to identify regional issues, to examine possible solutions, and to decide what agencies should be responsible for implementation.

Our policy clearly emphasizes that regional organizations and their makeup must be controlled by elected policymakers. We stress "the need for elected county and city officials to control all regional agencies and to determine regional boundaries."

Mr. Chairman, this brief overview of county policy should set the record straight that we support regionalism. Because of our belief in regional approaches, we have supported the coordination mechanism set up under the Office of Management and Budget Circular A-95.

However, that support, Senator, has been one endorsing the basic concept, and not the circular by itself. We have and continue to recognize a real need to refine and improve A-95 procedures. We realize that regional councils may not be the answer for a coordinating mechanism in every community.

The key here, Senator, is the word "voluntary." NACo believes that the use of regional councils or other alternatives to coordination should be left to the discretion of the elected city and county officials within the regional area. Consequently, Senator, we welcome the administration's efforts to revise the present A-95 Circular. In general, Mr. Chairman, we are pleased by the new proposal which, with some modifications, can greatly improve regional efforts, nationwide.

Though we support the intent of A-95, and the notification and review process under that circular, we also recognize that there have been serious problems with it. First and foremost is the fact that A-95 has created an immense paperwork blizzard. Burdensome paperwork has been a problem for two reasons: First, Congress has legislated too many programs to undergo A-95 review. A-95, like so many other crosscutting requirements, has been added willy-nilly without thorough thought or reason; and, second, local regional councils' staff, and/or the surrounding governments have run many unnecessary grant programs through the process "just to be sure" they are in total compliance. In essence, this originally well-intended coordinative process has been abused and overused by Federal and local governments alike. Since there is no real cure for this problem, it seems only reasonable to make this process voluntary. As a voluntary option, the paperwork would be reduced simply because paperwork costs money and we all recognize that money has definitely become a very scarce and precious commodity for local governments, nationwide.

The second problem I would like to address is the question of accountability or local control. The topic of regional councils is a very controversial one in county government. Some feel that the regional councils are far too powerful, compete against the governments they were created to serve, and "run" the elected policymakers instead of the reverse. On the other hand, in some areas of the country, county officials offer nothing but the utmost praise for their regional body. Both opinions are correct. The experiences of county officials with regional councils are mixed with both good and bad testimonials. Some councils have gone well beyond the wishes of their boards—the elected officials—have undermined efforts of a county to seek grant funds without the matter ever being brought before the board and without regard to already agreed upon regional guides; and have refused to provide planning assistance on matters of importance to the elected officials whom they were created to serve. On the other hand, the regional council staff has performed well on a host of issues and, in some cases, provided the only staff expertise within an entire area. This is true particularly in rural communities.

Senator, it basically boils down to the personalities and abilities of the regional council staff, and the willingness and commitment of the elected officials to stay involved and to exercise their rights of control over their council. Where there is an understanding that the council exists to act as a tool for the local governments, and where they remain committed to work with elected officials, and the elected officials maintain this same commitment, the regional council experience can be most successful.

An essential element, however, is commitment on both sides. Without this commitment, too many hurdles impede success. It is for this reason that regional councils must be voluntary. A different approach may more adequately fill the need and should be pursued by those governments if that is the case. It serves no useful purpose to design a process from a higher level of government without thought to the real needs or desires of the locals. As I pointed out, Senator, the question of discretion is important for county governments. We believe, however, that the choice should be bottom up and not top down. The proposed policy recognizes this principle, but only in part. The policy states "to the extent that the States develop their own processes," Federal agencies shall consult, respond and so forth. The circular does not require the States to consult with the local governments within their boundaries as to what the process should be. We strongly recommend, Mr. Chairman, that the States' process or plan must be jointly determined by both State and local governments. The States should not be able to opt out of a process which is wholly supported by their city and county governments. The States should, first, involve local governments, both city and county, in the decision to maintain or terminate the existing system; and, second, involve local elected officials in the process to design a new system if the State, in cooperation with the local governments, makes that choice.

Regional cooperation and coordination is primarily a local issue. Consequently, the approach used must be heavily weighed toward local preference.

With this recommended modification, NACo supports the flexibility granted to the States under the new proposal. We believe that it supports the activities under the New Federalism to strengthen the authority of State and local governments.

In addition, we wholeheartedly support the proposal to reduce Federal planning requirements and place emphasis on substitution of State plans when appropriate.

Mr. Chairman, regarding the proposal to discourage reauthorization of federally sponsored special or single purpose planning organizations, we support their reduction. Single purpose planning organizations, particularly those presently established by statute, should be created only when the local elected officials within the area find it necessary to do so. The policy recognizes the right for local discretion and, in so doing, strengthens the authorities of county governments.

Senator, the new policy clearly removes the OMB from any enforcement posture. This could be a positive move. On the other hand, it could also weaken the full implementation. Consultation and intergovernmental cooperation can clearly require mediators. When Federal agencies ignore or change the new A-95 policy, who steps in to provide the support necessary to mediate the concern? In certain instances, someone or some agency needs to play this role. We offer this concern simply as a caveat in any future oversight efforts.

The new policy emphatically emphasizes consultation with State and local governments. As you know, Mr. Chairman, the question of consultation and having full consultation privileges is extremely important for NACo and the other State and local governmental organizations. Your efforts on FACA have been recognized and are greatly appreciated by NACo and our sister organization. This new policy adds a welcomed emphasis to the issue. However, we wish to make it clear that whatever mechanism the States design under a new A-95, that mechanism, by itself, should not constitute consultation. Consultation takes many forms, and there are many opportunities to use it in our democratic process. The new procedures should act to compliment traditional vehicles to solicit the views of State and local governments.

This concludes our formal statement on the proposed changes to OMB Circular A-95. We support these changes with the modifications and reservations already noted. We recommend that this subcommittee consider conducting oversight hearings within 2 years after the policy goes into effect. This will provide ample time for the States to design a mechanism, implement it, and have it operating so that the policy would have an adequate track record to determine any weak spots or problems.

Mr. Chairman, the National Association of Counties appreciates this opportunity to appear before you this morning. We commend your attention to this matter. We will be happy to answer any questions you may have regarding this statement or our experience with the A-95 Circular.

Thank you.

Senator **Durenberger**. Thank you very much.

Mr. Kiser, do you have any advice for OMB on the issue of choosing between Executive orders and State statutes in designating the new A-95 process? I don't know if you were here earlier when we went into the issue.

Mr. **Kiser**. I had a copy of the testimony.

I would say I think it is a minor difference. If opinion seems to be that the Executive order is a little stronger, personal endorsement by the President and that it will give a little additional push than a circular, then I would endorse it. That seems to be what I was picking up. I don't know if it is true. If it is, I would endorse that approach.

Senator **Durenberger**. How about on the issue of the State Executive order versus State statutes on the issue of designation? Should the State Executive order, which they are proposing, set out the process or should that be left to the State statutes?

Mr. **Kiser**. I still think that the largest amount of flexibility for the States to fit it in is still far preferable.

While I was listening to some of the testimony, I jotted down a few of the additional areas of State planning that we have gone to in Florida. I was able to jot down several that I think are fairly significant. Seven or eight years ago, we developed a major State planning law which basically set out two types of planning requirements. One was called Areas of State Critical Concern. These were areas in the State that were of such State importance that we did not feel the local people had enough power over it, or in many instances they went beyond one county's borders, or they had such a significant statewide importance that the State really ought to be more involved in the planning. Some of those areas that were set aside, for example, were the Everglades, the Florida Keys, and the Green Swamp. Another area that has been proposed—and they are still having hearings to try to decide whether or not they have really reached that threshold of statewide importance—is the area around Charlotte Harbor. That was an area where we moved in.

The second part of the planning law was a part called the Elements of Regional Impact. Here we, again, require that when certain projects of a local level reach a certain magnitude—airports of a certain size, stadiums, major roads, housing subdivisions of a certain size—they automatically trigger more of a regional process.

I just think that if you leave more latitude to the States, you are going to find the States jumping into those areas and meeting those problems head on. They have to. Since that time, based on a lot of our experiences there, we have developed the Power Plant Siting Act. We recognize that the location of a powerplant is a unique thing and that many times it affects more than one county or just one location—there are many factors to consider. We have a special process in which power plants get sited. We found that to be very helpful.

I think the States really have the capability to move in if they will leave the flexibility there. However, the moment you start trying to pin down specific factors, in many instances, it either cripples us or takes away our initiative to really deal with the problem in a way which might be most effective for our particular State.

Senator **Durenberger**. One of the other things we discussed with OMB was the time line for transition with regard to the clearinghouses. They indicated some willingness to wait until we got into the 1983 session of the legislature. Would you consider that good judgment on their part?

Mr. **Kiser**. Yes; I think that would be. I would be in support of that.

Senator **Durenberger**. A–95 is really designed to address the multiplicity and diffusion of government at the local level. We talked about the 195 taxing authorities in the Twin Cities area. I would be curious to know how Florida handles this whole issue of multiplicity and diffusion of local governments, particularly in large metropolitan areas. It seems to me, because I have heard from them so often in the last 3½ years, that Dade County must have extraordinary powers. Is my perception correct? Maybe you can tell me how Florida goes about this?

Mr. **Kiser**. We have a wide range of experiments in local government in Florida. We have gone from the Dade County experience that created Metrodade, which is a hybrid form of a county government. It provides certain types of services countywide yet leaves the municipalities to retain other services. Then we progressed, about 12 or 14 years ago, to the city of Jacksonville, which took yet a different form. They just expanded the city of Jacksonville basically to the county line, completely engulfing the county. That also causes an asterisk. Every time we set up a funding formula, whether it is a State revenue sharing formula—by the way, we had a State revenue sharing formula a year before the Federal one was set up—whether it be that or funds for other local governments, we have always had to put a little asterisk down to treat Dade County and Jacksonville differently.

Then we have another thing called Charter Counties where they are given complete total home rule powers. So we really have a wide experience. That is probably because of the tremendous growth pressures we experience and because different people want to go different ways. Throughout most of the State you don't dare say, "Let's do something like Dade County." That is a bad word. Yet not too many have been able to endorse the Jacksonville concept either. Then we have the county charter thing.

I think one of the reasons why you need to have flexibility is that, obviously, not every State handles the problem alike. In Florida, for example, about 3 or 4 years ago, we set up a law that basically required that we eliminate double taxation. We have now required that the counties go into their taxes and totally separate out those services they perform only in the county areas and those they perform totally on a countywide basis. They have to send out two separate property tax notices. There is one property millage for countywide that everybody in the county pays, and then a separate millage that is just for those people in the county.

As you move into this, you will find some States haven't gone that far. They haven't seen the pressure or they have approached it in a different way. You have the situation in Florida where we, too, have had 400 municipalities in Florida. This really isn't that many for a State of 10 million people. However, we have over 5 or 6 times that many special taxing districts—street lighting districts, sidewalks, and sewers. You name it; we have it. What we had to do was go in and try to get a handle on it. We didn't know how many were in existence. We put a sunset on it. We said, "If we haven't received your financial reports by this time next year, you are out of existence." We have had to go in that way just to try to get a handle. Where we could we have gone back in and tried to bury these little special taxing districts. We have tried to roll them into the more recognizable units of governments, basically cities and counties.

Senator **Durenberger.** Where in all of this was A-95? Was the Federal Government trying to make up its mind, while you were changing to these organizational relationships, how to most appropriately use A-95?

Mr. **Kiser.** I don't know where it was throughout that whole process. All I know is we went ahead and did it. During the time I was doing that, I didn't hear much about A-95. In the last 2 years, I have become very involved with any kind of knowledge of it. We cranked on for the first 7 or 8 years that I was in the legislature, worrying about special taxing districts, worrying about all of these planning acts. Many times it came up, "Are we going to be in conflict with the Federal people, or are we going to be running something that competes with them?" Most of the time we went on about our business.

Senator **Durenberger.** Jim, let me ask you a couple of questions.

Can you imagine a situation where the metropolitan organization wants to participate in the revised A-95 process and the government and the legislature refuse to authorize it? Is that possible in this country today?

Mr. **Martin.** I don't think so, Mr. Chairman.

First of all, I can't imagine a State doing that. There may be a State that says it does not care to participate in some kind of a review and comment procedure, because it is all paperwork. Therefore, the State doesn't have a system and they will not set it up. I can't guess which State that might be; however, there may be one. In saying that they do not want a State system, if there is no State system, that should not

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preclude a group of local officials from having their system and saying they will kick in for it. The procedure should provide for a local system if the State chooses not to have one.

Senator **Durenberger.** After this Executive order comes out, what do you think will be done differently, if anything, in the State of California about the San Diego situation which we heard described here? Do they have some kind of council of governments as the designated clearinghouse? Does San Diego County cover the whole area as a planning agency?

Mr. **Martin.** I don't know the particulars of the San Diego County political scene. It is close to Orange County. I would assume that if the San Diego County officials wish to be designated as a clearinghouse, and if they can convince the State officials, they can be a designated clearinghouse. As far as the other county officials in the surrounding areas, it would have to be worked out at the local level. I think that is what is good about this. Rather than it being a decision that was made years ago as to which clearinghouse was which, it would be a negotiable and on-going process which the local and State officials agree on together. The States could designate a clearinghouse at the local level, but if it isn't supported by the local elected officials, it won't work. The States know that.

Senator **Durenberger.** The proposal you are hearing from OMB may help California as a result of that question?

Mr. **Martin.** Yes; I think it is up to the local officials to make their own decision.

Senator **Durenberger.** Let me ask you a question about the designation of grant programs. I am assuming that you would agree that probably having 270 programs is overdoing it a little bit. Do you expect the States will cut back on the number of programs that are covered under this process?

Mr. **Martin.** I think, first of all, they will ask for a list of the ones covered now. [Laughter.] It is forgotten. For the first 3 years of the circular, we only concentrated on construction programs because there were so many of those. We thought if we just watched the bricks, we could make an intelligent comment.

I assume that they are now, and the majority of them will, continue that way, unless it is essentially something that is paper and isn't significant.

The important thing is to do what the local officials want to do in cooperation with the State. Maybe we can eventually get to the point where the Federal officials will really pay attention to what the State and local elected officials say.

Senator **Durenberger.** Let me ask all of you about something that came up in the testimony. I have heard this particularly from the Governors and from the counties. I will probably hear it from all three of you.

As you know, the Twin Cities area is frequently held up as a model, although it is not necessarily ideal. However, the Metropolitan Council itself is not made up of elected officials. Its members are not elected. In effect, the council is an agency of the State government, by interpretation—not as a traditional agency mold, of course, but as an arm of the

State government. Apparently, it has done a pretty good job over a period of time, either because of the way the law was structured or because of the way it has been representing the elected local officials.

If the new Executive order were to change the law so that clearinghouses could only be made up of elected officials, in effect, you would either force the Metropolitan Council to become something other than a clearinghouse, or you would do away with 15 years of coordination among 195 communities in the Twin Cities area.

Is there a way for us to recognize that the clearinghouse function might be carried on by other than elected officials if, in fact, it met some standards of representing elected officials?

Mr. **Martin**. Mr. Chairman, section 103 of the act defines a local political jurisdiction as any county, municipality, city-town, township, school, or special district created by or pursuant to State law. This assuredly includes the Twin Cities' Metropolitan Council as created by State law. That is how the act defines local government. So they are automatically included.

The emphasis on elected officials here is that they have to make the decision. The elected officials may make the decision, in response to the people, to create the Twin Cities' Metropolitan Council. The elected officials may decide they want to include a health maintenance organization. I consider that a decision made by the elected official rather than the Department of Health and Human Services which mandates that a HMO bypasses all governments.

That is the emphasis. The elected officials can create or designate; it doesn't necessarily have to be mandated that they sit on it.

Senator **Durenberger**. Any other comments?

Ms. **Muncy**. I would indicate that A-95, to date, has not had very much leverage, as far as I am concerned, with saying "yes' or "no." Maybe it has negotiated, if anything. I am not assured, with Jim's comments, that, as long as the discretion is there, your situation and mine would be covered.

In the Washington area, there is strong local elected official representation. We very strongly support the way our Washington Council of Governments is set up. We have very little impact with the way the Maryland Planning Districts are set up. Maryland Planning Districts are pretty much creatures of the rural counties.

I think as long as there is discretion in the State for that to be decided, and among those who are going to be affected, then we will have the best of both worlds.

Mr. **Kiser**. I would say that one of the difficulties is that, in some areas, the people who you would like to have on these organizations may not be elected officials. They may be appointed.

For example, in Dade County, they appoint the sheriff. There are other counties in which other officials happen to be appointed, where you might normally find them elected in most jurisdictions.

In our area we have a countywide planning organization. We wanted our health officer to be appointed to that organization. We felt it was important to have that person on it. Even though the vast majority are elected officials, we have made exceptions for a few appointed people to be on it.

Mr. MARTIN. The draft that we got from the White House says, "encourage the organization of general purpose units of local government; discourage reauthorization and creation of special purpose organizations."

I think it is even milder than the act itself—certainly, it is in legal terms. The act says that the agencies "shall, in the absence of substantial reasons to the contrary, make such loans or grants-in-aid to units of general purpose governments rather than special purpose units of government."

When we are talking about the general purpose units, that is very strong language—"substantial reasons to the contrary."

[The A-95 reform policy adopted by the NCSL State-Federal assembly, submitted by Mr. Kiser, the prepared statements of Mr. Martin and Ms. Muncy (on behalf of NACo) follow:]

NCSL STATE-FEDERAL ASSEMBLY POLICY ADOPTED APRIL 23, 1982

A-95 REFORM

Federal funds to aid states in planning—specifically to coordinate federal grants with state programs—have been deemed a low priority for spending during the current federal fiscal crisis. However, this coordination is essential to effective government and cost-effective services. As a safeguard, it is essential that strong requirements are placed on the federal government both to provide information on activities being planned and dollars being spent, and to give state and local elected officials a role in insuring that federal programs do not interfere or compete with planned state and local programs. While in a few cases, national concerns may need to override state and local concerns, in the majority of instances the federal action should be seen as a complement to state and local efforts.

To insure coordination, the replacement of the A-95 process should:

1. Provide prompt information to states on federal spending plans;
2. Allow wherever possible state planning processes to influence federal plans.

To accomplish these goals, federal agencies should be required to:

1. Utilize state planning processes to determine the views of state and locally elected officials;
2. Provide the earliest possible notice to designated state planning agencies of intended programs;
3. Accommodate the concerns of state and local elected officials in developing federal programs to the extent permitted by law;
4. Coordinate and simplify their notice procedures and communication efforts; and
5. Discourage the establishment or maintenance of special planning organizations.

State planning systems must be structured to insure responsibility to both the legislature and the executive branch of each state government. The system must also allow an effective voice to the concerns of local elected officials.

PREPARED STATEMENT OF JAMES L. MARTIN

Mr. Chairman, thank you for once again inviting the National Governors' Association to comment on legislative matters before this subcommittee. We have not yet seen a final copy of the Administration's proposal. Therefore, the following comments are based on what we have seen to date.

The Intergovernmental Cooperation Act of 1968 provides the states with a broad range of management opportunities. The history of its development and enactment indicates that its passage was primarily a response to state government concerns. It is, in essence, an act of and for the states. The influence of the Act extends horizontally across the breadth of intergovernmental relations, and its passage represented a major step toward resolution of the maze of problems resulting from the proliferation of federal grant-in-aid programs in the sixties.

Although the implementation Circulars addressed a relatively specific set of problems, the Intergovernmental Cooperation Act offers the potential for a major reordering of governmental roles in the search for an effective federal balance. The Act recognizes the states as equal partners with the federal government. Such a position is critical to the continued vitality of all levels of government.

At a more operational level, mechanisms established by the Act, although focused specifically on state administration of federal programs, are sufficiently broad to offer a pattern from which states can develop integrated management systems for the unified delivery of both federal and state programs in cooperation with local government.

The implementing OMB Circulars, A-95, 96, 97, and 98, worked very well in the early years. The problem today is that the Circulars and even the potential of the Intergovernmental Cooperation Act are not well known to many elected officials and their immediate staffs.

The proposed White House Executive Order or policy statement is an essential element in realizing the essence of Reagan federalism, which is to return government to the people through their elected representatives. As a presidential order it would raise the awareness of federal officials of the primary role of elected officials.

The importance of the proposed presidential statement is in its key words:

Elected not appointed; governments not organizations; consultation not regulation; early warning not notice; and state process not federal process.

The objectives of the proposal should stand essentially as written with clarification with regard to direct federal development and enforcement of state decisions and should not be encumbered with equivocal language that will provide loopholes to bypass the intent of the Intergovernmental Cooperation Act. Equivocal language such as organizations, agencies, councils, majority, system, and clearinghouses, should not be added to the order. The only system or process that should be recognized is whatever system state and local elected officials select of their own design.

If states chose to utilize the current A-95 system, they would be free to do so. If the local system is a metropolitan government or a council of governments, it would be utilized at their discretion, not by direction from Washington.

Implementation via an Executive Order rather than OMB Circular would add the weight of Presidency to the process. Other cross-cutting requirements of the federal government by Executive Order rather than OMB Circular include:

The coordination of Section 504 of the Rehabilitation Act of 1973, E.O. 11914; administration of the Clean Air Act, E.O. 11738; and implementation of the Paperwork Reduction Act, E.O. 12291.

While we support the kinds of changes in A-95 proposed by the Administration, a few caveats should be included in the record of these hearings. First, we have not seen an official draft of the changes; our comments on the revisions are made on the basis of an outline transmitted to us. We will need to examine the complete draft before we can fully support the changed policy.

Second, the coordination of direct federal development projects mandated in Section II of the current Circular has had important benefits for some states. We feel strongly that this process should not be weakened. It should include specific procedures for federal coordination and consistency with states' plans and policies for development of military installations, federal lands and preserves, and other direct federal development.

Third, and related to the point regarding Section II, we should not view the revisions in A-95 that we are discussing today as the final word on intergovernmental policy coordination. All the Circulars have gone through a constant process of refinement. We should commit now to make the necessary changes if in the future we find that A-95 or its successor is not working.

Fourth, some procedure should be established for federal compliance with and enforcement of state comments or policy on the whole range of state plans, grants and direct federal development.

Finally, we believe that states should have complete flexibility in establishment of local or regional roles and procedures in the review or consultation process under the Circular or subsequent executive order.

CONCLUSION

Most recent polls, as well as in-depth studies, including those of the Advisory Commission on Intergovernmental Relations, suggest that the mistrust that has characterized state-federal relations in recent years should be put aside. The efforts of many individuals in policy-making levels of the federal establishment now favor the state position on matters of appropriate governmental roles. Federal efforts to strengthen the state role need to be acknowledged and reinforced in order that they may be sustained. The proposed policy statement or Executive Order would revive the Intergovernmental Cooperation Act and raise the awareness of federal officials of the role of elected officials of state and local government.

Thank you, Mr. Chairman, for this opportunity to testify.

PREPARED STATEMENT OF SUZANNE MUNCY ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES (NACo)[1]

NACO POLICY

The National Association of Counties has a long history in support of regional cooperation. The committee which I chair was first organized shortly after the 1968 Intergovernmental Cooperation Act to foster and ensure that regional cooperation was recognized in all NACo policies and to encourage counties, nationwide, to develop and support regional approaches in appropriate government programs. The association's entire membership has reaffirmed a basic regional policy at each of our annual meetings since then.

The cornerstone of our regional plank rests on the strengthening of local goverment, its authorities and finances. Our policy specifically states that any consideration of regional approaches "must be based on the need to strengthen and improve the capability of local government to serve the people." Our policy also supports the creation and use of regional councils as a "forum where local officials can discuss and seek solutions to regional problems." However, our support for such councils rests on certain provisions—at the heart of this matter is simply this—regional councils as seen by county officials, are tools for local governments and are not, by themselves, governmental units. As such, they are to be controlled by the local elected officials of the surrounding governmental bodies. They shall have no taxing authority and most importantly, they should not be mandatory. Our American county platform specifically states, "local elected officials in each area should decide the question of mandatory or voluntary membership and the basis for voting and funding. The regional council, in this context, is not another layer of government, shall not have taxing authority, nor be an agency having operational service delivery responsibilities, and thus be advisory only. The regional council is a means for local governments to identify regional issues, to examine possible solutions, and to decide what agencies should be responsible for implementation." Our policy clearly emphasizes that regional organization and their makeup must be controlled by elected policymakers. We stress "the need for elected county and city officials to control all regional agencies and to determine regional boundaries."

Mr. Chairman, this brief overview of county policy should set the record straight that we support regionalism. Because of our belief in regional approaches, we have supported the coordination mechanism set up under Office of Management and Budget Circular A–95. But that support, Senators, has been one endorsing the basic concept, and not the circular by itself. We have and continue to recognize a real need to refine and improve A–95 procedures, and realize that regional councils may not be the answer for a coordinative mechanism in every community. The key here, Senators, is the word "voluntary." NACo believes that the use of regional councils or other alternatives to coordination should be left to the discretion of the elected city and county official within the regional area. Consequently, Senators, we welcome the administration's efforts to revise the present A-95 Circular. In general, Mr. Chairman, we are pleased by the new proposal which with some modification can greatly improve regional efforts, nationwide.

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[1] The National Association of Counties is the only national organization representing county government in the United States. Its membership spans the spectrum of urban, suburban, and rural counties which have joined together for the common purpose of strengthening county government to meet the needs of all Americans. By virtue of a county's membership, all its elected and appointed officials become participants in an organization dedicated to the following goals:

Improving county governments; serving as the national spokesman for county governments; acting as a liaison between the nation's counties and other levels of government; and achieving public understanding of the role of counties in the federal system.

PROBLEMS WITH THE PRESENT A-95 CIRCULAR

Though we support the intent of A-95, and the notification and review process under that circular, we also recognize that there have been serious problems with it. First and foremost, is the fact that A-95 has created an immense paperwork blizzard. Burdensome paperwork has been a problem for two reasons: First, Congress has legislated too many programs to undergo A-95 review. A-95, like so many other crosscutting requirements, has been added willy nilly without thorough thought or reason; and second, local regional councils staff, and/or the surrounding governments have run many unnecessary grant programs through the process "just to be sure" they are in total compliance. In essence, this originally well-intended coordinative process has been abused and overused by Federal and local governments alike. Since there is no real cure for this problem, it seems only reasonable to make this process voluntary. As a voluntary option, the paperwork would be reduced simply because paperwork costs money and we all recognize that money has definitely become a very scarce and precious commodity for local governments, nationwide.

The second problem I would like to address is the question of accountability or local control. The topic of regional councils is a very controversial one in county government. Some feel that the regional councils are far too powerful, compete against the governments they were created to serve, and "run" the elected policymakers instead of the reverse. On the other hand, in some areas of the country, county officials offer nothing but the utmost praise for their regional body. Both opinions are correct. The experiences of county officials with regional councils is mixed with both good and bad testimonials. Some councils have gone well beyond the wishes of their boards—the elected officials—have undermined efforts of a county to seek grant funds without the matter ever being brought before the board and without regard to already agreed upon regional guides; and have refused to provide planning assistance on matters of importance to the elected officials whom they were created to serve. On the other hand, regional council staff have performed well on a host of issues and in some cases, provide the only staff expertise within an entire area. This is true particularly in rural communities. Senators, it basically boils down to the personalities and abilities of the regional council staff, and the willingness and commitment of the elected officials to stay involved and to exercise their rights of control over their council. Where there is an understanding that the council exists to act as a tool for the local governments; and where they remain committed to work with elected officials and the elected officials maintain this same commitment, the regional council experience can be most successful. An essential element, however, is commitment on both sides. Without this commitment, too many hurdles impede success. It is for this reason that regional councils must be voluntary. A different approach may more adequately fill the need and should be pursued by those governments if that is the case. It serves no useful purpose to design a process from a higher level of government without thought to the real needs or desires of the locals.

PROPOSED CHANGE

State and local government roles

As pointed out, Senators, the question of discretion is important for county governments. We believe, however, that the choice should be bottom up and not top down. The proposed policy recognizes this principle, but only in part. The policy states "to the extent that the States develop their own processes," Federal agencies shall consult, respond and so forth. The circular does not require the States to consult with the local governments within their boundaries as to what that process should be. We strongly recommend. Mr. Chairman, that the State's process or plan must be jointly determined by both State and local governments. The States should not be able to opt out of a process which is wholly supported by their city and county governments. The States should: (1) Involve local government, both city and county, in the decision to maintain or terminate the existing system; and (2) involve local elected officials in the process to design a new system if the State, in cooperation with local governments, makes that choice. Regional cooperation and coordination is primarily a local issue. Consequently, the approach used must be heavily weighed toward local preference. With this recommended modification, NACo supports the flexibility granted to the States under the new proposal. We believe that it supports the activities under New Federalism to strengthen the authority of State and local governments.

In addition, we wholeheartedly support the proposal to reduce Federal planning requirements and place emphasis on substitution of State plans when appropriate.

Mr. Chairman, regarding the proposal to discourage reauthorization of federally sponsored special or single purpose planning organizations, we support their reduction. Single purpose planning organizations, particularly those presently established by statute, should be created only when the local elected officials within the area find it necessary to do so. The policy recognizes the right for local discretion and in so doing, strengthens the authorities of county government.

Role of Office of Management and Budget

Senators, the new policy clearly removes the OMB from any enforcement posture. This could be a positive move. On the other hand, it could also weaken the full implementation. Consultation and intergovernmental cooperation can clearly require mediators. When Federal agencies ignore or change the new A-95 policy, who steps in to provide the support necessary to mediate the concerns? In certain instances, someone, or some agency, needs to play this role. We offer this concern simply as a caveat in any future oversight efforts.

Consultation

The new policy emphatically emphasizes consultation with State and local governments. As you know, Mr. Chairman, the question of consultation and having full consultation privileges is extremely important for NACo and the other State/local government organization. Your efforts on FACA have been recognized and are greatly appreciated by NACo and our sister organization. This new policy adds a welcome emphasis to the issue. However, we wish to make clear that whatever mechanism the States design under a new A-95, that mechanism, by itself, should not constitute consultation. Consultation takes many forms, and there are many opportunities to use it in our democratic process. The new procedures should act to compliment traditional vehicles to solicit the views of State and local governments.

CONCLUSION

This concludes our formal statement on the proposed changes to OMB Circular A-95. We support these changes with the modifications and reservations already noted. We recommend that this subcommittee consider conducting oversight hearings within 2 years after the policy goes into effect. This will provide ample time for the States to design a mechanism, implement it and have it operating so that the policy would have an adequate track record to determine any weak spots or problems. Mr. Chairman, the National Association of Counties appreciates this opportunity to appear before you this morning. We commend your attention to this matter, and we will be happy to answer any questions you may have regarding this statement or our experience with the A-95 Circular.

Thank you.

Senator DURENBERGER. Thank you all very much for your testimony. We appreciate it. The hearing is now adjourned.

[Whereupon, at 12:04 p.m., the subcommittee recessed, to reconvene subject to the call of the Chair.]

Additional Material Submitted for the Record

REPORT OF THE VIRGINIA A-95 ADVISORY PANEL TO HON. JOHN W. WARNER, U.S. SENATE (LYNCHBURG, VA., DECEMBER 1980)

I. THE VIRGINIA A-95 ADVISORY PANEL

At the request of the Hon. John W. Warner, a number of Virginians familiar with local government, intergovernmental relations, and the operations of the Congress and federal agencies agreed in May, 1980 to serve on an advisory panel to evaluate the impact of the federal government's A-95 grant review process. The Hon. Joseph F. Freeman, III, of Lynchburg, served as chairman; panel members included the Hon. John H. Rust, Jr. of Fairfax, Mr. Arthur L. Collins of the Southeast Virginia Planning District Commission, Mr. Gordon Dixon of the New River Valley Planning District Commission, Mr. V. Wayne Harbaugh of the Thomas Jefferson Planning District Commission, Mr. Michael Amyx of the Virginia Municipal League (VML), Mr. George R. Long of the Virginia Association of Counties (VACo), Mr. Gerald Fisher, President of VACo, Mr. Charles Christopherson, Virginia Director of Intergovernmental Affairs, the Hon. Thomas N. Downing of Newport News, and the Hon. Harold Atkinson of Franklin, President of the VML. Mr. David Mason and Mrs. Judy Peachee provided indispensable assistance in assembling the research materials and in setting up the meetings.

II. EXECUTIVE SUMMARY

The Virginia A-95 Advisory Panel received the clear impression that while the "early warning" and coordinative aspects of A-95 are operating quite successfully, state and local governments exercise little influence over federal activities through the A-95 process owing to lack of attention at the federal level to A-95 comments. Therefore, on the basis of reports made by members of the panel, the research efforts by Mr. Mason, and the information made available by OMB, the panel recommends that:

A. Congress examine the extent to which federal agencies and their program client groups are able to circumvent the federally established policies for local, areawide and state influence on grant decisions; and examine appropriate remedies.

B. The federal government, through the Office of Management and Budget (OMB), clarify procedures for notification to and coordination by local, areawide and state clearinghouses of federal grant-funded projects.

C. Congress and the OMB establish firm enforcement of federal rules regarding local, areawide and state influence over the approval and coordination of federal grants, including a process for local, state and areawide entities to alter grant conditions or deny funding under appropriate circumstances.

D. Congress or the OMB provide funding for adequate local/areawide planning and grant review, from existing appropriation levels for federal programs if no other source is available.

These changes should take place in the context of broad Congressional concern for restoring the states and localities to a condition of greater vitality and responsibility. It will take much thought, time and effort for this concern to mature into a stronger, more responsible partnership among federal, state and local governments in governing the United States as we approach the third century under our Constitution.

III. BACKGROUND

Our oldest political literature, that of ancient Greece, records struggles between locally-based governmental units and central governments. For example, in the fourth century B.C., the cities of Thessaly complained that customs, duties and market fees that they had collected for the old Thessalian Confederacy were being improperly used by the new military regime of Phillip of Macedon. Questions over what level of government collects revenue, what level spends it, and how it is spent are anything but new. And much graver disputes than the obscure one over Thessalian public finance have revolved around questions of the extent of central authority. Eventually, the Greek city-state, birthplace of democracy, was superseded by imperial administration. James Madison, father of the Constitution and co-author of the Federalist Papers, understood very well that decency, restraint, and competence in public life demanded a system that apportioned the power over any particular public duty to the level of government best able to assume responsibility for it. Mr. Madison has studied history and knew how excessive decentralization and petty rivalries had ruined prosperous and brilliant societies such as ancient Greece and Renaissance Italy. He also understood that excessive centralization, as in the old Turkish empire or China, slowly extinguish the spirit of initiative and enterprise in a society, and finally destroyed any widespread sense of care for public affairs at every level. The American Constitution was designed to avoid these extremes through a proper balance of authority among the various levels of government.

American federalism has changed since its original establishment under the Constitution, sometimes peacefully, sometimes violently. The idea that state sovereignty allowed states to leave the Union died at Appomattox in 1865. The doctrine of dual federalism, given initial shape by the decisions of Chief Justice John Marshall, enjoyed a longer vitality than the idea of absolute state sovereignty. Growing from the Constitution's delegation of listed powers to the federal government and the Tenth Amendment's reservation of all other powers to "the states or to the people," dual federalism holds that the states and the federal government are expected to exercise different responsibilities, taking care to avoid mutual interference. Though neglected over the past generation, the Constitutional requirement that dual sovereignty rest in both the states and the federal government was reaffirmed by the U.S. Supreme Court in *National League of Cities* v. *Usery* in 1974.

But, constitutional doctrine aside, relations between the states and the federal government have grown in complexity as Congress has created a wide variety of aid programs aimed to assist the states in carrying out various policies and also to provide direct aid to localities. This newer set of relations has been called "cooperative federalism," "creative federalism," "fiscal federalism," or, more simply, "intergovernmental relations." The ties between the federal government and the states and localities multiplied in the 1960s as Congress enacted a series of laws that gave the federal government a much larger role in matters that had hitherto been left to the states and localities. The legislation affected a broad range of concerns including civil rights, housing, regional development, education, medical care, urban revitalization, transportation and governmental organization in metropolitan areas. The establishment of grant-in-aid programs which at least appeared to leave some initiatives at the state and local levels became an especially popular way to legislate on these matters. The then-Bureau of the Budget tried to coordinate this very broad range of programs and also to make some provision for local influence on the use of federal programs through administrative directives, culminating in the issuance of Circular A–95 on July 24, 1969. Those portions of the circular affecting local governments required applicants for federal grants also to notify the appropriate units of state and local government, required that federal agencies undertaking projects directly to consult with affected state and local governments, and required "coordination of federally supported planning programs at the substate regional level." The circular has remained the principal authority for the coordination of federal programs at the local point of impact of these programs.

IV. THE A–95 REVIEWS PROCESS IN VIRGINIA

For the past ten years the designated areawide clearinghouses in Virginia for A–95 reviews have been the 22 Planning District Commissions (PDCs). The state clearinghouse is the Virginia Department of Intergovernmental Affairs. Despite the length of time that has passed since the inception of A–95, objections continue to be raised to the process, centering on the lack of local influence over matters identified by the federal government itself as local or areawide in nature. For local officials the frustration over lack of control is compounded by the bureaucratic complexities of the process itself.

For example, a questionnaire circulated to all local elected officials in one PDC elicited comments such as the following: "Question if our feedback has any impact"; "a large bureaucratic mess"; "impossible for a local government to control the destiny of its jurisdiction." The respondents voiced a strong preference for either a local or areawide veto over projects instead of merely being asked for comments. Some respondents were concerned that purely local projects not be subject to a regional veto, and a large majority thought there should be an appeals process for a local government and/or an areawide clearinghouse if a funding agency approved a project after receiving negative comments on the project from local and/or areawide authorities. The results of this limited sampling were borne out by a survey conducted for this panel by the Virginia Municipal League (VML) at the direction of Mr. Michael Amyx. The VML's survey was sent to 41 cities, 150 towns, and 10 urban counties; 64 responses were received with mixed results. Frustration with the existing system was reflected by several respondents' suggestion that the program be made meaningful or be done away with. According to the report:

> The conclusion that can be drawn, short of eliminating the program, is to make the three most recommended changes, none of which conflict. These are: strengthening the program by adding teeth to negative comments, require more feedback from federal agencies, and limiting the review process to certain agency programs.

The Virginia Association of Counties (VACo) report submitted by Mr. George Long begins with the blunt observation that:

> While the A-95 process was originally intended to provide a method for fostering intergovernmental cooperation and coordination, it has evolved into a "red-tape" hindrance which in many cases causes friction between the several governments.

The VACO recommendations parallel the other requests for strengthening the local governments' opportunities to have a direct impact on the actual award of federal projects.

Mr. Gordon Dixon prepared the report made on behalf of the PDCs and identified six major problems found by the PDCs in their efforts to perform A-95 reviews:

1. Lack of federal agency compliance with all the requirements of A-95, particularly regarding feedback on clearinghouse reviews.
2. Lack of uniform criteria used by federal agencies in the approval process.
3. The extension of the A-95 process by individual agencies to accomplish more ends than initially intended.
4. Lack of time for proper review and coordination.
5. Lack of appropriate financial support.
6. Need for an audit mechanism to evaluate agency compliance.

In its A-95 study prepared in the spring of 1980 the Department of Intergovernmental Affairs of the Commonwealth of Virginia stated in its findings that:

> Federal funding agencies continue practices which work to counter the objectives of A-95. These practices include funding projects prior to the receipt of A-95 comments, failing to respond to negative comments, and providing unclear instructions to applicants regarding A-95 compliance.

The Hon. Tom Downing's report pointed out to the panel that the statutory authorization of the Office of Management and Budget's (OMB) issuance of Circular A-95 was very broad and had not been addressed in detail by the Congress. The principal, though not only, authority for the circular is contained in the Demonstration Cities and Metropolitan Development Act of 1966, Section 204. The floor debate over this section revolved around the question of busing. The implications of this section for the future of intergovernmental relations were not debated. Congress did not legislate A-95 and has never even held hearings on it.

Messrs. (Jim) Kelly and (Tom) Snyder of the Office of Management and Budget attended the October meeting of the panel to advise the members of OMB's current efforts to review and revise the entire A-95 process, emphasizing the desire of OMB to "put more discipline in the process." Their full report is included in the appendices.

In light of the above reports the panel respectfully recommends that legislation on A-95 be taken under serious consideration at an early date.

V. OUTLINE FOR POSSIBLE IMPROVEMENTS IN OMB BUDGET CIRCULAR A-95

A. Purpose of circular

OMB Budget Circular A-95 was established to achieve two basic objectives: (1) to provide better information about and improve the coordination of federal grants and other federal activities at the state and local levels; and (2) to provide local governments and officials with some measure of influence over federal activities in their jurisdictions.

The two A-95 functions are often interrelated. For instance, coordinative efforts of A-95 clearinghouses are undermined by federal agencies' lack of responsiveness to comments regarding duplication of services and the need for coordination with currently operating programs. Nonetheless, the problems, and suggested improvements, in the A-95 process can generally be classed under one of the two separate A-95 functions.

B. Notification and coordination

Failure by state clearinghouse to notify local clearinghouses of action on grants reviewed by areawide clearinghouses.—This situation can be easily remedied. At the October 9 meeting of the A-95 Panel, Virginia Department of Intergovernmental Affairs Director Charles Christopherson agreed to send, monthly after receipt by the state clearinghouse, copies of SF 424 (or other notifications of action) to areawide clearinghouses which have expressed an interest in the application.

In a short time, Virginia may have access to a comprehensive Federal Awards Data System (FADS) which may eliminate the need for return of SF 424 to state and areawide clearinghouses.

To be of maximum use, FADS data should be broken down by Planning District Commission and locality. Grants made by the Community Services Administration and through Health Systems Agencies should include locality and planning district codes.

Most importantly, the FADS must include the standard state application identification number (SAI #) assigned during the clearinghouse review process. Without this information, FADS could become simply another huge paperwork exercise with little practical application.

Lack of sufficient time (30 days) for areawides to review state-forwarded applications.—It takes several days for state-forwarded applications to reach areawide clearinghouses and they must be returned a few days early in order to reach the state clearinghouse in time to be included in the A-95 review. This cuts the effective review period for areawides on statewide applications from 30 to 20–25 days.

Because clearinghouse boards and some local governing bodies meet only monthly, lack of a full 30-day period to review statewide applications makes it difficult to complete proper review.

The OMB currently allows for mailing time in addition to the 30 or 60 day review period. The OMB should establish and publicize a clear definition of mail time, probably two or three days, for each time a notification of intent or application must be mailed.

Require NOI 60 days previous to submission of complete application.—Thirty days may leave insufficient time to make changes in an application requested by an A-95 review. Many NOIs are currently presented to clearinghouses less than 30 days prior to submission of an application.

Lengthening the pre-application review period would result in further delays, already a frequent complaint about A-95 by applicants. A flexible system, giving clearinghouses power to request/require an additional 30-day delay for applications needing substantial changes is one option. For many programs, however, any delay before submission of an application would be needless and possibly damaging.

Changes in this area must strike a careful balance between additional review time and avoidance of unnecessary delay. Increased attentiveness to A-95 comments by federal agencies could well alleviate the problem of alterations in applications without lengthening the review period. Therefore, a lengthened pre-application review is not recommended at this time.

In general, however, OMB and granting agencies should encourage the earliest contact possible between grant applicants and areawide clearinghouses or local governments. The earlier notification is made, the more successful the A-95 coordination function is likely to be. Contact at the earliest planning stages is preferable.

Projects under approved state plans.—Projects consistent with federally required state plans, though not presented in project form in the original plan, are sometimes exempted from A-95 review requirements. Notification of such projects is desirable.

OMB appears to intend to establish a two-tier review system in its A-95 revisions. Small or non-controversial project notifications would be forwarded to clearinghouses for informational purposes only. Projects under previously-approved state plans should be included in this notification-only category.

Two-tier review system.—The proliferation of programs covered by A-95 has left many clearinghouses without sufficient staff to perform adequate reviews of all projects. Yet there are demands that more (and conceivably all) federal programs be brought under a unified system for information and coordination purposes.

Clearinghouses are not currently required to review projects they are not interested in. However, many clearinghouses feel an obligation to review all projects presented.

A two-tier review system could reduce some pressure on clearinghouses to review insignificant or non-controversial projects. Careful attention must be given to the criteria for notification-only projects. A program-by-program basis is an attractive option since Virginia experience shows that the size of the project is less significant in causing controversy than is the project's aim and/or effect. A dollar limit could exclude highly controversial social service programs which have only small salary expenses.

If projects are placed in the lower review tier on a program-by-program basis, administering agencies should not make final decisions. OMB should review agency decisions on review exemptions with input from regional councils, local governments and other concerned parties.

C. Federal agency dominance

Return of Standard Form 424 (SF 424).—Federal agencies are required to notify clearinghouses within 30 days of any action taken on a reviewed project. The simplest method of notification is to forward a copy of SF 424 to the clearinghouse.

The fact that clearinghouses are currently asking that this type of requirement be added in A-95 revisions demonstrates the widespread practice at the federal level of ignoring the notification requirement of A-95. A FADS system may alleviate this problem.

Any notification, whether through FADS or through SF 424, should include the clearinghouse identification number assigned during the review process.

Widespread failure by federal agencies to notify local governments and clearinghouses of decisions on projects in their jurisdictions clearly demonstrates the need for improved enforcement mechanisms in administrative and legislative revisions of A-95.

Funding of projects before completion of reviews.—This is another widespread problem which would be best addressed through improved enforcement mechanisms. Federal agencies are already prohibited from approving projects before completion of reviews.

OMB's suggestion of giving clearinghouses or local governments the power to request suspension of awards contains many unanswered questions. Would the "request" be merely voluntary or would the federal agency have to comply? What happens when the suspension of funding request directly conflicts with another federal mandate (for instance, that programs must be begun by a certain date)?

The question of conflicting federal mandates is probably a major cause of the current problem of funding before reviews are completed. Purely administrative action in this area poses many legal questions. The concept of a suspension of funding request is more properly dealt with in legislation.

Greater attention to the letter and spirit of A-95 by federal agencies would eliminate most instances of funding before completion of reviews without legislation.

Explanation of NOI requirement in grant materials.—Again, this is a request to revise the Circular so it will do something it is already supposed to require. The General Accounting Office (GAO) and the OMB have authority over new federal forms and materials. A systematic examination of grant-related materials to insure that they include an explanation of the requirement for an NOI may be in order. This should certainly be one area of examination in the proposed OMB A-95 audit mechanism.

Greater attentiveness to A-95 by federal officials would be the most effective solution to failure to submit NOIs.

Clear statement of criteria for awards.—The purposes of many federal programs are not clearly apparent. Part-time local officials and small clearinghouse staffs do not have the time or resources to research the history and purpose of every federal program before reviewing a project under it.

Federal agencies should make available clear statements of the criteria awards will be based on. Using those statements. clearinghouses would be better able to make relevant comments on a project. Conscientious return of explanations of funding over negative reviews would, over time, familiarize clearinghouse members with criteria for many programs. Because explanations of funding are rarely returned and because of the problem of new and small programs, a specific mechanism is still needed to inform clearinghouses of the criteria for awards.

OMB should consider requiring a clear statement of grant award criteria in the Catalog of Federal Domestic Assistance. That publication is widely available, frequently updated and would be the easiest place for clearinghouses and local governments to find grant criteria.

Proliferation of planning bodies.—The proliferation of special-purpose planning bodies with diverse membership requirements undermines the overall coordinative function of areawide clearinghouses.

All federal planning responsibilities should be coordinated under areawide clearinghouses. Plans preferably should be made by clearinghouses themselves. If additional boards are found necessary, membership requirements should be coordinated so that clearinghouses can serve the additional function.

The proliferation problem cannot be solved administratively. Congress creates special-purpose planning bodies. Legislation establishing the primacy of A–95 type clearinghouses would be helpful. However, until there is an awareness in Congress of the necessity for areawide coordination, special-interest groups will continue to find it easy to push for special-purpose planning bodies.

The Health Planning Act must be reauthorized during the 97th Congress. Health Systems Agencies (HSAs) established under this Act have been among the most problematic special purpose planning bodies. NARC, OMB, and other interested parties should have an opportunity to testify during reauthorization hearings on this subject.

Congressional receipt of comments on major projects.—Local views would be more effective if A–95 comments on major projects were forwarded to Congressional committees as part of the authorization process.

This concern was particularly expressed in reference to military construction projects. The Military Construction Subcommittees of the Armed Services Committees should discuss this problem at an early date. Public Works Committees have jurisdiction over projects which are more widely discussed than military construction projects commonly are, thus this requirement may not be necessary for these Committees.

On military construction projects in particular and on all direct federal development activities, local governments and clearinghouses should be notified of and involved in the planning process as early as possible.

In the absence of any legislation or regulations requiring A–95 comments before Congressional committees authorizing major projects. Senators and Congressmen should represent the views of the citizens and local governments they represent. Therefore, local governments and areawide clearinghouses should be encouraged to contact their Congressional representatives when there are problems with projects which are about to be authorized.

D. Enforcement

There are a number of more general problems with the A–95 Circular as it now operates. The OMB, the Virginia A–95 Panel and others have suggested numerous improvements in the Circular primarily targeted at enforcement of the Circular at the federal level or strengthening local clearinghouses vis-a-vis federal agencies and local grant applicants.

OMB Audit.—An OMB audit of federal agencies for A–95 compliance would be very helpful in identifying areas of federal non-compliance with A–95, raising the awareness of federal agencies and officials about A–95 requirements, and suggesting remedies for cases of non-compliance or conflict with other agency mandates.

As previously mentioned, any audit should include examination of grant-explanation materials to insure that federal agencies fully explain A–95 requirements to grant applicants. Handling of negative clearinghouse reviews should be another major focus of an A–95 audit.

Other administrative remedies.—OMB has made numerous suggestions in its "conceptual outline" for administrative improvements in A–95. Most of these include requirements for greater coordination among various levels of government. These remedies may or may not improve the operation of A–95 by making federal officials more aware of the Circular and by spelling out more clearly federal agency responsibilities under the regulation.

A request for suspension of award if A–95 procedures have not been properly followed or if negative comments have been ignored is the one radical change suggested by OMB. This approach may well go beyond the intent of the present law. Vague authorizing law and the problem of how the power is to be balanced is tricky. If clearinghouses are given a large degree of flexibility in applying the power, grants may be held up over political disputes that have nothing to do with a particular program. If the suspension of funding is merely a request to an agency which has already decided to grant funds, what power is entailed? If the request is to an authority other than the funding agency, how could lengthy delays be avoided? Any mechanism along these lines which could legally be applied through regulations would be too weak to do much good. Therefore, if such a power is necessary to the proper operation of A–95—and it appears to be—then Congress must take the responsibility of shaping the mechanism. Oversight hearings on the Intergovernmental Cooperation Act would probably be the best way of beginning this examination.

OMB training courses for grant officers would be an effective way to make federal officials more aware of A–95 requirements.

Courts.—Allowing appeal of grant decisions to federal court when the applicant or the federal agency has violated the letter or spirit of A–95 could be an effective, though clumsy, mechanism to force compliance with the Circular. Most grant decisions simply are not "federal cases." And the expense and time involved would most likely dwarf a potential grant. However, if a clearinghouse or local government were willing to go to this expense and trouble it obviously feels strongly enough about the program that some appeal should be available. The threat of the possibility of a court case would, in most cases, encourage grant applicants and federal agencies to be more cooperative.

Federal courts currently follow a "presumption of validity" doctrine in cases regarding federal agency decisions. In other words, agency decisions are assumed to be correct interpretations of the law and can be overturned only if the agency can be shown to have acted in a capricious or arbitrary manner. This doctrine would have to be altered if federal appeals based on A–95 violations are to be of any effect. (Legislation to alter this doctrine was passed by the Senate last year.)

Federal court involvement in A–95 would involve increased expenses, time and complications. Therefore, courts should be kept out of the A–95 process.

Criminal penalties.—Criminal penalties for federal officials who violate A–95 regulations are usually dismissed without much discussion. Again, however, such a threat would be very effective in catching the attention of federal officials. Inclusion of an A–95 category in federal job-ratings of federal officials would probably be a more humane way of increasing federal awareness of the necessity of complying with A–95. If legal remedies are to be available to aggrieved parties in the A–95 process, relief should concentrate on the projects at issue, rather than on the individual participants. Therefore, criminal penalties for any parties in A–95 are not recommended.

E. Suspension of award or conditional approval

Suspension as an enforcement mechanism.—The threat of a suspension of projects which the clearinghouses feel do not have merit or are duplicative will greatly expand the incentive for grant recipients and federal agencies to better explain the worth and specific purpose of a project. Such explanation in many cases could satisfy the doubts of local officials if a mutual effort at understanding were made.

The shape and strength of a suspension mechanism will depend largely on the purpose it is to serve: to strengthen local governments, force greater compliance with A–95 by federal agencies and grant recipients, or to force greater cooperation among local governments within a clearinghouse. Therefore, discussion of the purposes of a suspension should precede discussion of its form.

Suspension as leverage over applicants.—As discussed immediately above, grant applicants who realize at the beginning that their projects could be suspended have an interest in coordinating their project with clearinghouses, local governments and other interested organizations.

Criteria for suspension.—A suspension or "veto" is nothing more than the logical extension of the power of a negative review. Within the range of mechanisms there is a wide variety of options. Vetoes could be absolute only, or clearinghouses may be given the power to make grants conditional. In the latter case the degree to which changes can be required must be limited, either by the mechanism itself or by other powers (in federal agencies). Vetoes or suspensions may be allowed only to local governments (or states). If an absolute veto is given to clearinghouses, it should be exercised only unanimously. And, unless a veto is to be absolute, there must be some way of appealing or reconciling differences.

To avoid having reviews overly involved in purely local political disputes, the suspension should be based on the same criteria as a grant award is to be based on. An exception should be made for charges of duplication of services—a project may meet all the criteria for a certain program and still be unneeded in a community either because of lack of demand for the service or because the service is provided already.

A conditional approval (or suspension) is the preferable enforcement method. Clearinghouses should have the authority to place conditions, consistent with federal program goals, on grant recipients. An appeals process for the applicant should be available. The burden of proof, that conditions are inconsistent with program goals or are impossible to meet, must be placed upon the grant applicant.

Form.—An absolute veto would have to be exercised with such infrequency that it would be ineffective as a tool to force compromise. Therefore, a conditional approval must at least be an option for the clearinghouse. Among the client groups supporting grants an absolute veto appears excessive. If, however, the overwhelming sentiment of a community is that a certain service should not be offered or that a certain project should not be undertaken, then the community should have the right to govern itself by exercising this view. If it is true that communities desire federal funds and that most disputes are over particulars (i.e., location, design or limited activities) rather than over the goal of a project, then in most cases some accommodation could be worked out among parties in a community. A suspension mechanism in this case would only give more leverage to groups in a community desiring changes.

Because an absolute veto has such a potential for dissension within a clearinghouse, this power should only be exercised unanimously. It may be good to allow local governments a veto over physical projects to be located wholly within their jurisdiction.

To avoid purely dilatory procedures, clearinghouses which issue conditional approvals should be required to make specific suggestions as to what changes are in order. Changes which violate the requirements of the program would, of course, be out of order.

Clearinghouses should probably be able to formulate their own regulations regarding suspensions (the majority necessary and conditions) as much as possible. In no case, however, should clearinghouses be able to suspend projects in a particular jurisdiction without the concurrence of the local governing body of the jurisdiction.

Appeal.—If suspensions are to have any effect, applicants and federal agencies will desire (and do deserve) some method of appealing what they believe to be unreasonable vetoes or requests for changes. If clearinghouses were given the power to sue in federal court over violations of A-95, then agencies and grant applicants should be given the same power. Appeal to administrative law judges is a less complicated and less expensive option. If the administrative law judges were within the agency concerned, however, they would tend to become captive to that agency's interests. In addition, any ALJ system would be an expensive extra bureaucratic level which would be counterproductive to the goals and purposes of A-95.

OMB should consider establishment of its own appeals process with designated officials within OMB handling appeals. This is one way in which OMB could take a greater role in supervision and conflict resolutions in A-95.

Another alternative, possibly preferable in an internally-run OMB appeals system, would be an arbitration list. A list including federal officials in the concerned agency, related agencies, and OMB and knowledgeable state and local officials could be provided to clearinghouses and applicants appealing a conditional review. Clearinghouses and applicants could then choose from this list to establish an arbitration board whose decision would be binding. Again, the burden of proof that grant conditions are unreasonable must fall upon the grant applicant.

Appeal to a higher level of the granting agency would be simpler still, but agency officials would be even more prone to habitually favor the findings of their own agency. Still, if an OMB system or another outside enforcement mechanism such as arbitration boards is impossible, then appeal to a higher agency level would certainly be of some value.

Establishing such a complicated and politically sensitive regulation as a veto over federal projects and grants is probably beyond the bounds of administrative action. Again, Congress needs to conduct oversight hearings on the Intergovernmental Cooperation Act and make the necessary legislative changes.

F. Use of A–95 for extraneous objectives

In revisions of the Circular, OMB has added to A–95 several criteria for review. These new review areas were not always of greatest concern to clearinghouses and often complicated and lengthened the task of A–95 reviews.

Because of the expanding number of reviewed projects it is desirable to simplify the review process as much as possible. Therefore, clearinghouses should be given maximum flexibility to consider whatever factors they find relevant in reviewing projects under A–95.

As in the case of proliferating areawide planning bodies, the addition of objectives to A–95 cannot be stopped unless Congress has an understanding of A–95 which will allow it to resist pressures by interest groups to include special consideration for them in project review. Thus, Congressional oversight hearings would be helpful in this area as well.

G. Funding

There has never been a specific source of funding for A–95 reviews. FmHA Section 601, HUD 701, FHWA Section 112 and UMTA Section 8 funds earmarked for comprehensive planning have been available to many areawide clearinghouses, but these sources of funding have declined recently.

The funding problem is a serious one. With increasing numbers of reviews being performed, clearinghouses, especially those in rural areas, are hardpressed to afford sufficient staff to properly review all projects. Local governments are often reluctant to provide additional funding to clearinghouses since they already fund their own planning staffs.

Clearinghouses have expressed a preference for a specific A–95 review appropriation on a per capita basis (possibly with a minimum for small clearinghouses). The OMB, in its proposed revisions, proposes to require federal agencies to take small amounts out of appropriations for reviewed programs to fund clearinghouses.

If local governments are unwilling to provide funding of A–95 and the federal government will not offer the steady source of funding clearinghouses desire, then states are the remaining option. Thus far states have not discussed A–95 funding. Many state governments, however, feel they are largely bypassed in the A–95 process. If states were to agree to a greater role in funding A–95 clearinghouses, the state role in A–95 would certainly be expanded.

Because a specific Congressional appropriation for A–95 would be slow in coming and would face many obstacles, any increased federal funding must come through OMB directives to other agencies. OMB should continue its plans to increase funding from these diverse sources, including expanded use of indirect cost allocations where possible.

Clearinghouses should encourage local governments to increase A–95 funding. Attempts to explain the A–95 process in this context would be helpful even if no additional funds were gained. Since local funding comes from the thousands of separate local governments, funds from this source would not be useful in a national effort to increase the effectiveness of A–95.

Congressional hearings and the OMB efforts to revise A–95 should focus on the state role in the A–95 process. States could possibly be offered specific incentives for meeting a set funding level (setting standards for reviews, federal matching funds).

H. Plans

Because a major criteria under A–95 review is compliance (or conflict) with areawide plans, strengthening of the local influence in the A–95 process will probably require strengthened areawide plans.

More comprehensive and specific plans will be a major undertaking for clearinghouses and local governments. Many local officials will be unwilling to participate in the planning process and the increased staff support needed by clearinghouses will be impossible on their current budgets and with current funding sources. Therefore, federal or state incentives will be necessary to aid clearinghouses and local governments in formulating better areawide plans.

Areawide and local plans are mostly concerned with physical development. Social service programs are more difficult to plan for and, in recent years, new federal programs have mandated or established heretofore unanticipated services and programs. Areawide plans in the social services area can, however, designate a lead agency for various social services. Federal programs and agencies should then be required to work with or through a designated local entity.

Desirability.—Many local officials will object to more comprehensive and specific areawide plans on principle. However, if declining federal (and public) resources are to be allocated in a manner which most efficiently meets public needs, then better planning for these resources is necessary. Only after an area has decided, in a comprehensive review of transportation needs, for example, that it prefers mass transit to increased highway development, does it have a reasonable basis on which to request that Interstate Highway funds be diverted to purchase new buses.

Highly specific plans give clearinghouses and local governments a tool to better allocate federal resources and a legitimate lever to use against undesired federal activities.

Incentives.—Granting clearinghouses increased power to prohibit or require changes in federal or federally-supported projects should be sufficient incentive to convince clearinghouses to formulate new plans, provided funding sources are available.

Giving states an increased role in the process, as mentioned above, possibly through partial state funding of planning for A–95 activities, could encourage states to prod localities and clearinghouses into formulating new plans. States may be interested in substantial funding of new planning activities if state governments are given substantial review power over the plans. More work must be done with state planning agencies, governors and legislators to determine whether states would be interested in a proposal of this type.

A one-time federal grant for planning may indeed have the virtues of being nationwide, and therefore certain for every clearinghouse, and relatively simple to enact compared to dealing with fifty states and thousands of local governments. However, majority federal funding of increased planning activity would vastly increase the federal role in general areawide planning. Federal planning standards enforced and reviewed by federal bureaucrats would be inevitable. And a federal program would be far more likely than state or locally-funded programs to spawn a self-perpetuating bureaucracy which might forever require more complex and detailed plans from local governments. Therefore, a federal comprehensive planning grant is not recommended.

Local governments are the most important elements in more detailed and comprehensive areawide planning, and the most difficult to convince of the necessity or usefulness of such plans. Even substantial offers of staff support and funding will not convince many local officials that areawide planning is desirable or is something they should participate in.

Educational efforts through the National Association of Counties (NACo), the National League of Cities (NLC) and their state counterparts would be of some benefit in convincing local officials.

The threat of a state or federal agency undertaking plans for a locality or clearinghouse area if the local governments did not complete plans themselves would force local action. However, such a plan raises serious questions about federalism and, by strengthening the federal hand in planning, works in the opposite direction of what increased local planning is supposed to achieve. In addition, such a proposal would meet serious opposition from many of the groups necessary to the success of an improved A–95 system. Federal or state plans for localities or areas are not recommended.

Only a substantial increase in local power over federal activities in their jurisdiction would convince many localities to formulate new areawide plans. Therefore, OMB and the Congress should consider linking increased local powers to better local and areawide plans.

VI. POSTSCRIPT

Human endeavors frequently have both intended and unintended consequences; this is certainly the case with Circular A–95. The widespread creation of councils of government (COGs; in Virginia, planning district commissions (PDCs)) in both metropolitan and non-metropolitan areas was one of the intended consequences. Since the 1950s, the federal government has sought to use the conditions attached to grants-in-aid to prod reluctant units of government into interjurisdictional cooperation. This was pursued so that areawide plans would be drawn to coordinate federal aid programs. It would also strengthen local governments, so that argument went.

What was clearly unintended was that federal agencies would ignore the COGs and areawide plans when actually allocating federal funds and administering programs. The result of this has been to weaken local governments and to encourage the proliferation of client groups that can bypass the local and state political process. Consequently, the A-95 process itself has become a focal point for the perennial tensions over centralization and decentralization.

Initially, these tensions were expressed by local officials in terms of being for or against "federal aid." But the grant-in-aid system offered a safety valve. Those who were against federal aid didn't have to apply for it; there would be no conflict since those who liked the programs applied for the money and those who didn't want them didn't apply. Under the conditions it was assumed would prevail—steadily expanding federal aid and the obviously desirable results of aid programs, particularly in the cities—a jurisdiction that was reluctant at first might later decide to enjoy the fruits of federally-stimulated civic progress, thus minimizing the conflicts that the COGs did not have to face directly, anyway. But the problems of unintended political consequences have become acute as conditions change.

Two trends are changing the environment within which A-95 functions. First, the preliminary figures for the 1980 Census in both Virginia and the United States show that the center cities are continuing to lose population. The population growth is in the suburbs, despite twenty years of federal programs to reverse, or at least counteract, the exodus from the cities. Urban renewal, model cities, mass transit aid, community development and downtown revitalization have not made an impact large enough to be measurable by the Census, and it seems a safe bet that during the 80's suburban jurisdictions will become more demanding. The demographic change means that they may well be able to develop Congressional political support to enforce these demands. The second factor is the prospect that for the foreseeable future the amount of federal aid to states and localities will stabilize or decrease. Commentators of quite different outlooks agree that the limits of the fiscal capacity of the federal government have been reached, that stringency is the watchword, and that any increases in federal expenditure must go to defense.

These changes in the basic environment require a review with the purpose of federal encouragement of regional planning. Elements of this review should include a reassessment of the old assumptions about governmental fragmentation, a review of the role of regional plans, and a confrontation of the likely function of COGs in the future. First, governmental fragmentation in metropolitan areas: Virginia's metropolitan areas have fewer units of local government than almost any in the United States, yet conflict among the few units is real, and sometimes deep to the point of being bitter. Much of the federal government's approach seems predicated on the assumption that the sheer proliferation of units and elected officials are the problem, per se. But, the federal government itself has contributed greatly to the diffusion of responsibility at the local level by requiring the creation of sub-state regional agencies outside the purview of the A-95 process COGs, and by requiring the establishment of advisory committees, service organizations, and so on. Second, the role of the COGs is likely to become increasingly one of resolving conflict or, more positively, looking for areas of agreement among divided parties. The conditions that would have to be met for COGs to effectively do this must be thoroughly reviewed. Third, regional plans can no longer be "wish lists" that offer a little bit to everyone. To resolve intra-metropolitan differences on the basis of something short of local warfare, plans should offer an equitable, understandable way to set regional priorities and to establish a public agreement on the best use of scarce resources.

Such a course of action is neither easy nor costless for localities used to the present A-95 process. Jurisdictions that believe their access to federal dollars is secure will be reluctant to press for a change in A-95, but they must ask themselves if their access will always be secure and what they could do if that access were to be cut off by a change in administration, by executive reorganization, or by Congressional interest in new programs. Is it really wise to burn bridges to neighbors who might become allies, if not friends? Is it anything but naive to assume that a remote, independent bureaucracy will always do what one wants? In fact, experience has shown that federal agencies often ignore the wishes of local officials and citizens. While this is an annoyance when plenty of federal dollars are available, as those funds become more restricted, allocating available federal funds best in accordance with local needs and desires will become more and more critical.

Nor will Congress find a change in the present process convenient. Legislative alliances would be disrupted and political support from pressure groups diverted back to the state or local level. However, the alternative to not strengthening the process may well be the continued shift of local conflict resolution to Capitol Hill and continued loss of power for localities. Congress itself must decide whether it has the interest or capacity to grapple with all of the tensions that will spring from the prospective no-growth period in federal intergovernmental assistance.

The practical solution to this technical problem may lie in the direction of trying to grasp more fully the implications of a political ideal that has not been much discussed in recent years. A century or more ago, it was universally accepted in American society that both individual freedom and effective government depended on civic vigor outside the nation's capital. The time approaches for serious discussion of how widespread appreciation of that old ideal can be recaptured.

SUMMARY OF RECOMMENDATIONS

The panel's general finding was that there are several flaws, primarily at the federal level, in the operation of A-95. While OMB's administrative changes may help with some of these problems, the panel recommends that Congressional oversight hearings on the Intergovernmental Cooperation Act be undertaken at an early date with an eye toward possible revisions of the Act and of the A-95 Circular.

Attention in these hearings should be given to establishment of primacy of A-95 clearinghouses, composed of representatives of general-purpose local governments, over all other federally-mandated regional planning bodies. Secondly, major consideration should be given to establishment of some local and state power to require alterations or to refuse federal grants and programs within their jurisdictions.

Other recommendations include:

The Federal Awards Data System (FADS) should code information by locality and planning district. Grants from the Community Services Administration and Health Systems Agencies especially should be coded in this manner.

FADS data should include the standard State Application Identification Number (SAI #) assigned during the review process.

OMB should clarify the existence and definition of mailing time in addition to the 60 day review period.

Grant applicants should be encouraged to contact areawide clearinghouses as early as possible in the grant application process.

Areawide clearinghouses should be notified of new federal activities which have been previously approved under statewide plans.

A two-tier review system should be advisory only. OMB must review notification-only decisions by federal agencies and clearinghouses should retain the power to review any application.

Awards made before completion of A-95 review, except in emergencies, should be automatically suspended.

A clear statement of grant criteria (to facilitate better reviews) should be included in the Catalog of Federal Domestic Assistance or in another really-available central source.

Health Systems Agencies should be subject to areawide clearinghouses for approval of all plans and grants.

Armed Forces subcommittees should require involvement and solicit comments from local governments early in planning for non-high security military projects.

OMB should establish an A-95 audit mechanism which should cover explanations of funding over negative reviews, notifications of intent requirements, grant criteria explanations, and participation in FADS or return of SF424.

An A-95 or intergovernmental relations component should be included in federal job performance ratings.

Congress or OMB should establish some criteria for suspension or conditional awards. Absolute vetoes should be exercised only unanimously within clearinghouses or by governors.

Appeal of suspensions or conditional awards should be available to an arbitration board with the burden of proof on the applicant.

Requirements for specific review critera should be eliminated, clearinghouses should be free to make decisions about relevant review criteria.

OMB should pursue its effort to require federal agencies to allow A–95 expenses as an indirect cost of grants.

Congress and state legislatures should consider an enlarged state role in planning and funding under A–95.

Increased veto, suspension, or conditioning powers may be linked to improved areawide plans.

federal register

TUESDAY, JANUARY 13, 1976

THE NATIONAL ARCHIVES OF THE UNITED STATES • 1934 •

OFFICE OF MANAGEMENT AND BUDGET

CIRCULAR NO. A-95

EVALUATION, REVIEW AND COORDINATION OF FEDERAL AND FEDERALLY ASSISTED PROGRAMS AND PROJECTS

OFFICE OF MANAGEMENT AND BUDGET

[Circular No. A–95 Revised]

EVALUATION, REVIEW, AND COORDINATION OF FEDERAL AND FEDERALLY ASSISTED PROGRAMS AND PROJECTS

JANUARY 2, 1976.

1. *Purpose.* This Circular furnishes guidance to Federal agencies for cooperation with State and local governments in the evaluation, review, and coordination of Federal and federally assisted programs and projects. The Circular promulgates regulations (Attachment A) which provide, in part, for:

a. Encouraging the establishment of a project notification and review system to facilitate coordinated planning on an intergovernmental basis for certain Federal assistance programs in furtherance of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and Title IV of the Intergovernmental Cooperation Act of 1968 (Attachment B).

b. Coordination of direct Federal development programs and projects with State, areawide, and local planning and programs pursuant to Title IV of the Intergovernmental Cooperation Act of 1968.

c. Securing the comments and views of State and local agencies which are authorized to develop and enforce environmental standards on certain Federal or federally assisted projects affecting the environment pursuant to section 102 (2)(C) of the National Environmental Policy Act of 1969 (Attachment (C)) and regulations of the Council on Environmental Quality.

d. Furthering the objectives of Title VI of the Civil Rights Act of 1964.

This Circular supersedes Circular No. A–95 (Revised), dated November 13, 1973 (Part II, FEDERAL REGISTER, Vol. 38, No. 228, pp. 32874–32881, November 28, 1973). It will become effective February 27, 1976.

2. *Basis.* This Circular has been prepared pursuant to:

a. Section 401(a) of the Intergovernmental Cooperation Act of 1968 which provides, in part, that:

"The President shall * * * establish rules and regulations governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development * * *"

and the President's Memorandum of November 8, 1968, to the Director of the Bureau of the Budget ("FEDERAL REGISTER, Vol. 33, No. 221, November 13, 1968) which provides:

"By virtue of the authority vested in me by section 301 of title 3 of the United States Code and section 401(a) of the Intergovernmental Cooperation Act of 1968 (Public Law 90–577), I hereby delegate to you the authority vested in the President to establish the rules and regulations provided for in that section governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development, including programs providing Federal assistance to the States and localities, to the end that they shall most effectively serve these basic objectives.

"In addition, I expect the Bureau of the Budget to generally coordinate the actions of the departments and agencies in exercising the new authorizations provided by the Intergovernmental Cooperation Act, with the objective of consistent and uniform action by the Federal Government."

b. Title IV, section 403, of the Intergovernmental Cooperation Act of 1968 which provides that:

"The Bureau of the Budget or such other agency as may be designated by the President, is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this Title."

c. Section 204(c) of the Demonstration Cities and Metropolitan Development Act of 1966 which provides that:

"The Bureau of the Budget, or such other agency as may be designated by the President, shall prescribe such rules and regulations as are deemed appropriate for the effective administration of this section," and

d. Reorganization Plan No. 2 of 1970 and Executive Order No. 11541 of July 1, 1970, which vest all functions of the Bureau of the Budget or the Director of the Bureau of the Budget in the Director of the Office of Management and Budget.

3. *Coverage.* The regulations promulgated by this Circular (Attachment A) will have applicability:

a. Under Part I, to all projects and activities (or significant substantive changes thereto) for which Federal assistance is being sought under the programs listed in Attachment D or Appendix I of the *Catalog of Federal Domestic Assistance* whichever bears the later date. Limitations and provisions for exceptions are noted therein or under paragraph 8 of Part I.

b. Under Part II, to all direct Federal development activities, including the acquisition, use, and disposal of Federal real property; in addition, agencies responsible for granting licenses and permits for developments or activities significantly affecting area and community development or the physical environment are strongly urged to consult with clearinghouses on applications for such licenses or permits.

c. Under Part III, to all Federal programs as listed in Appendix II of the *Catalog of Federal Domestic Assistance,* requiring, by statute or administrative regulation, a State plan as a condition of assistance.

d. Under Part IV, to all Federal programs providing assistance to State, areawide, or local agencies or organizations for multijurisdictional or areawide planning.

4. *"A–95: What It Is—How It Works."* A fuller discussion of the background, purposes, and objectives of the Circular and of the requirements promulgated thereunder may be found in the brochure, "A–95: What It Is—How It Works," obtainable from the Office of Management and Budget or from Federal Regional Councils.

5. *"A–95 Administrative Notes."* From time to time OMB will issue "A–95 Administrative Notes" providing interim determinations or interpretations on matters of national scope relating to administration of the Circular.

6. *Federal Regional Councils.* Federal Regional Councils are responsible for coordinating the implementation of the requirements of this Circular at the Federal regional level. The Office of Management and Budget is responsible for policy oversight of the Circular and liaison with departmental and agency liaison officers on matters of national scale related to the requirements of the Circular.

7. *Federal agency implementing procedures and regulations.* Agencies will develop interim procedures and regulations implementing the requirements of this Circular revision which will become effective on February 27, 1976. The interim procedures and regulations will be published in the FEDERAL REGISTER no later than February 27, 1976. Agencies will promulgate final implementing procedures and regulations no later than April 29, 1976. OMB will assist and cooperate with agencies in developing such procedures and regulations.

8. *Inquiries.* Inquiries concerning this Circular may be addressed to the Regional A–95 Coordinator for the appropriate Federal Regional Council or to the Office of Management and Budget, Washington, D.C. 20503, telephone (202)–395–3031.

JAMES T. LYNN,
Director.

ATTACHMENT A—CIRCULAR NO. A–95 REVISED

Regulations Under Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, Title IV of the Intergovernmental Cooperation Act of 1968, and Section 102(2)(C) of the National Environmental Policy Act of 1969

PART I: PROJECT NOTIFICATION AND REVIEW SYSTEM

1. *Purpose.* The purpose of this Part is to:

a. Further the policies and directives of Title IV of the Intergovernmental Cooperation Act of 1968 by encouraging the establishment of a network of State and areawide planning and development clearinghouses which will aid in the coordination of Federal or federally assisted projects and programs with State, areawide and local planning for orderly growth and development.

b. Implement the requirements of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 for metropolitan areas within that network.

c. Implement, in part, requirements of section 102(2)(C) of the National Environmental Policy Act of 1969, which require that State, areawide, and local agencies which are authorised to develop and enforce environmental standards be given an opportunity to comment on the environmental impact of Federal or federally assisted projects.

d. Provide public agencies charged with enforcing or furthering the objectives of State and local civil rights laws with opportunity to participate in the review process established under this Part.

e. Encourage, by means of early contact between applicants for Federal assistance and State and local governments and agencies, an expeditious process of intergovernmental coordination and review of proposed projects.

2. *Notification of intent.*

a. Any agency of State or local government or any organization or individual undertaking to apply for assistance to a project or major substantive modification thereto under a Federal program covered by this Part will be required to notify both the State and areawide planning and development clearinghouse in the jurisdiction of which the project is to be located of its intent to apply for assistance at such time as it determines it will develop an application.

In the case of applications for projects involving land or water use and development or construction in the National Capital Region (as defined in section 1(b) of the National Capital Planning Act of 1952, as amended) a copy of the notification will be sent to the National Capital Planning Commission (NCPC) in addition to the areawide clearinghouse and the appropriate State clearinghouse. NCPC is the official planning agency for the Federal Government in the National Capital Region.

In the case of an application in any State for an activity that is Statewide or broader in nature (such as for various types of research) and does not affect nor have specific applicability to areawide or local planning and programs, the notification need be sent only to the State clearinghouse. Involvement of areawide clearinghouses in the review in such cases will be at the initiative of the State clearinghouse.

Notifications will include a summary description of the project for which assistance will be sought. The summary description will contain the following information, as appropriate and to the extent available:

(1) Identity of the applicant agency, organization, or individual.

(2) The geographic location of the project to be assisted. A map should be provided, if appropriate.

(3) A brief description of the proposed project to be assisted. A map should be scale, estimated cost, beneficiaries, or other characteristics which will enable the clearinghouses to identify agencies of State or local government having plans, programs, or projects that might be affected by the proposed project.

(4) A statement as to whether or not the applicant has been advised by the funding agency from which assistance is being sought that he will be required to submit environmental impact information in connection with the proposed project.

(5) The Federal program title and number and agency under which assistance will be sought as indicated in Attachment D or the latest *Catalog of Federal Domestic Assistance*. (The *Catalog* is issued annually in the spring and is updated during the year.) In the case of programs not listed therein, programs will be identified by Public Law number or U.S. Code citation.

(6) The estimated date the applicant expects to formally file an application.

Many clearinghouses have developed notification forms and instructions. Applicants are urged to contact their clearinghouses for such information in order to expedite clearinghouse review.

b. In order to assure maximum time for effective coordination and so as not to delay the timely submission of the completed application to the funding agency, notifications containing the preliminary information indicated above should be sent at the earliest feasible time.

c. Applications from federally recognised Indian tribes are not subject to the requirements of this Part. However, Indian tribes may voluntarily participate in the Project Notification and Review System and are encouraged to do so. Federal agencies will notify the appropriate State and areawide clearinghouses of any applications from federally recognised Indian tribes upon their receipt. Where a federally recognized Tribal Government has established a mechanism for coordinating the activities of Tribal departments, divisions, enterprises, and entities, Federal agencies will, upon request of such Tribal Government transmitted through the Office of Management and Budget, require that applications for assistance under programs covered by this Part from such Tribal departments, divisions, enterprises, and entities be subject to review by such Tribal coordinating mechanism as though it were a State or areawide clearinghouse.

3. *Clearinghouse functions.* Clearinghouse functions include:

a. Evaluating the significance of proposed Federal or federally assisted projects to State, areawide, or local plans and programs.

b. Receiving and disseminating project noifications to appropriate State and multistate agencies in the case of the State clearinghouse and to appropriate local governments and agencies and regional organizations in the case of areawide clearinghouses; and providing liaison, as may be necessary, between such agencies or bodies and the applicant. In the case of units of general local government, notifications of all projects affecting his jurisdiction will, if requested, be sent to the chief executive of such unit by the areawide clearinghouse or to such central agency as he may designate for review and reference to appropriate agencies of such unit.

c. In the case of projects under programs covered by this Part located in the coastal zone, as defined in the Coastal Zone Management Act of 1972, assuring that the State agency, if other than the State clearinghouse, responsible for administration of the approved program for the management of the coastal zone, is given opportunity to review the project for its relationship to such program and its consistency therewith.

d. Assuring, pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969, that appropriate State, multistate, areawide, or local agencies which are authorized to develop and enforce environmental standards are informed of and are given opportunity to review and comment on the environmental significance of proposed projects for which Federal assistance is sought.

e. Provdiing public agencies charged with enforcing or furthering the objectives of State and local civil rights laws with opportunity to review and comment on the civil rights aspects of the project for which assistance is sought.

f. Providing, pursuant to Part II of these regulations, liaison between Federal agencies contemplating direct Federal development projects and the State or areawide agencies or local governments having plans or programs that might be affected by the proposed project.

g. In the case of a project for which Federal assistance is sought by a special purpose unit of local government, clearinghouses will assure that any unit of general local government having jurisdiction over the area in which the project is to be located has opportunity to confer, consult, and comment upon the project and the application.

h. Where areawide clearinghouse jurisdictions are contiguous, coordinative arrangements should be established between the clearinghouses in such areas to assure that projects in one area which may have an impact on the development of a contiguous area are jointly studied. Any comments and recommendations made by or through a clearinghouse in one area on a project in a contiguous area will accompany the application for assistance to that project.

4. *Consultation and review.* a. State and areawide clearinghouses may have a period of 30 days after receipt of a project notification in which to inform State and multistate agencies and local or regional governments or agencies (including agencies referred to in subparagraphs c, d, and e, above) that may be affected by the proposed project and arrange, as may be necessary, to consult with the applicant thereon. The review may be completed in this period and comments may be submitted to the applicant.

b. If the review is not completed during this period, the clearinghouse may work with the applicant in the resolution of any problems raised by the proposed project during the period in which the application is being completed.

c. In cases where no project notification has been submitted and the clearinghouse receives only a completed application, it may have 60 days to review the completed application. If a completed application is submitted during the first 30 days after a notification has been submitted, the clearinghouse may have 30 days plus the number of days remaining in the initial 30 day notification period to complete its review. In all other cases, the clearinghouse may have 30 days to review a completed application. Where clearinghouses have not completed their reviews during the 30 day notification period, they are strongly urged to give the applicant formal notice to that effect. Where reviews have been completed prior to completion of an application, an information copy will be supplied to the clearinghouse, upon request, when the application is submitted to the funding agency.

d. Written comments submitted to the areawide clearinghouse by other jurisdictions, agencies, or parties will be included as attachments to the comments of areawide clearinghouses, when they are at variance with the clearinghouse comments; and others from whom comments were solicited and received should be listed.

e. Under some programs, applicants—primarily nongovernmental — are required to submit confidential information to the funding agency. Such information may relate to the applicant's financial status or structure (e.g., overall investment program or holdings); to personnel (e.g., personal histories of project officers) or may involve proprietary information (e.g., industrial processes, research ideas). Such confidential information need not be included with applications submitted to clearinghouses for review.

f. Applicants will include with the completed application as submitted to the Federal agency (or to the State agency in the case of projects for which the State, under certain programs, has final project approval):

(1) All comments and recommendations made by or through clearinghouses, along with a statement that such comments have been considered prior to submission of the application; or

(2) Where no comments have been received from a clearinghouse, a statement that the procedures outlined in this section have been followed and that no comments or recommendations have been received.

g. Applications for renewal or continuation grants or applications not submitted to or acted on by the funding agency within one year after completion of clearinghouse review will be subject to re-review upon request of the clearinghouse.

5. *Subject matter of comments and recommendations.* Comments and recommendations made by or through clearinghouses with respect to any project are for the purpose of assuring maximum consistency of such project with State, areawide, and local comprehensive plans. They are also intended to assist the Federal agency (or State agency, in the case of projects for which the State under certain Federal grants has final project approval) administering such a program in determining whether the project is in accord with applicable Federal law, particularly those requiring consistency with State, areawide, or local plans. Comments or recommendations may include, but need not be limited to, information about:

a. The extent to which the project is consistent with or contributes to the fulfillment of comprehensive planning for the State, area, or locality.

b. The extent to which the proposed project:

(1) Duplicates, runs counter to, or needs to be coordinated with other projects or activities being carried out in or affecting the area; or

(2) Might be revised to increase its effectiveness or efficiency in relationship to other State, area, or local programs and projects.

c. The extent to which the project contributes to the achievement of State, areawide, and local objectives and priorities relating to natural and human resources and economic and community development as specified in section 401 of the Intergovernmental Cooperation Act of 1968, including:

(1) Appropriate land uses for housing, commercial, industrial, governmental, institutional, and other purposes;

(2) Wise development and conservation of natural resources, including land, water, mineral, wildlife, and others;

(3) Balanced transportation systems, including highway, air, water, pedestrian, mass transit, and other modes for the movement of people and goods;

(4) Adequate outdoor recreation and open space;

(5) Protection of areas of unique natural beauty, historical and scientific interest;

(6) Properly planned community facilities, including utilities for the supply of power, water, and communications, for the safe disposal of wastes, and for other purposes; and

(7) Concern for high standards of design.

d. As provided under section 102(2)(C) of the National Environmental Policy Act of 1969, the extent to which the project significantly affects the environment including consideration of:

(1) The environmental impact of the proposed project;

(2) Any adverse environmental effects which cannot be avoided should the proposed project be implemented;

(3) Alternatives to the proposed project;

(4) The relationship between local short term uses of man's environment and the maintenance and enhancement of long term productivity; and

(5) Any irreversible and irretrievable commitments of resources which would be involved in the proposed project or action, should it be implemented.

e. Effects on energy resource supply and demand.

f. The extent to which people or businesses will be displaced and the availability of relocation resources.

g. As provided under section 307(d) of the Coastal Zone Management Act of 1972, in the case of a project located in the coastal zone, the relationship of the project to the approved State program for the management of the coastal zone and its consistency therewith.

h. The extent to which the project contributes to more balanced patterns of settlement and delivery of services to all sectors of the area population, including minority groups.

i. In the case of a project for which assistance is being sought by a special purpose unit of local government, whether the unit of general local government having jurisdiction over the area in which the project is to be located has applied, or plans to apply, for assistance for the same or a similar type project. This information is necessary to enable the Federal (or State) agency to make the judgments required under section 402 of the Intergovernmental Cooperation Act of 1968.

6. *Federal agency procedures.* Federal agencies having programs covered under this Part will develop appropriate procedures for:

a. Informing potential applicants for assistance under such programs of the requirements of this Part (1) in program information materials, (2) in response to inquiries respecting application procedures, (3) in pre-application conferences, or (4) by other means which will assure earliest contact between applicant and clearinghouses.

b. Assuring that all applications for assistance under programs covered by this part have been submitted to appropriate clearinghouses for review prior to their submission to the funding agency. Applications that do not carry evidence that both areawide and State clearinghouses have been given an opportunity to review the application will be returned to the applicant with instructions to fulfill the requirements of this Part. Agencies will insure that all applications contain a State Application Identifier (SAI) number. (This is mandatory for use in notifying clearinghouses of action taken on the application.)

c. Notifying such clearinghouses within seven working days of any major action taken on such applications that have been reviewed by said clearinghouses. Major actions will include awards, rejections, returns for amendment, deferrals, or withdrawals. The standard multipurpose form, SF 424, promulgated by Federal Management Circular 74-7, will be used for this purpose, unless a waiver has been granted by OMB. (See Attachment E.)

d. Where a clearinghouse has recommended against approval of an application or approval only with specific and major substantive changes, and the funding agency approves the application substantially as submitted, the funding agency will provide the clearinghouse, along with the action notice, an explanation therefor.

e. Where a clearinghouse has recommended against approval of a project because it conflicts with or duplicates another Federal or federally assisted project, the funding agency will consult with the agency assisting the referenced projects prior to acting, if it plans to approve the application.

f. Assuring, in the case of an application submitted by a special purpose unit of local government, where accompanying comments indicate that the unit of general local government having jurisdiction over the area in which the project is to be located has submitted or plans to submit an application for assistance for the same or a similar type project, that appropriate considerations and preferences as specified in section 402 of the Intergovernmental Cooperation Act of 1968, are accorded the unit of general local government. Where such preference canot be so accorded, the agency shall supply, in writing, to the unit of general local government and the Office of Management and Budget its reasons therefor.

7. *Housing programs.* For housing programs of the Department of Housing and Urban Development, the Veterans Administration, and the Farmers Home Administration of the Department of Agriculture the following procedures will be followed, except as provided in subparagraph d below:

a. The appropriate HUD, VA, or USDA/FHA office will transmit to the appropriate State and areawide clearinghouses a copy of the initial application for project approval.

b. Clearinghouses will have 30 days from receipt to review the applications and to forward to the HUD, VA, or USDA/FHA office any comments which they may have, including observations concerning the consistency of the proposed project with State and areawide development plans, the extent to which the proposed project will provide housing opportunities for all segments of the community, and identification of major environmental concerns including impact on energy resource supply and demand. Processing of applications in the HUD, VA, or USDA/FHA office will proceed concurrently with the clearinghouse review.

c. This procedure will include only applications involving new construction or substantial rehabilitation and will apply to applications for loans, loan guarantees, mortgage insurance, or other housing assistance:

(1) In Urbanized Areas, as defined by the U.S. Bureau of the Census (see Appendix A, 1970 Census of Population, Characteristics of the Population or Characteristics of Housing), to:

(a) Subdivisions having 25 or more lots.

(b) Multifamily projects having 50 or more dwelling units.

(c) Mobile home courts with 50 or more spaces.

(d) College housing provided under the debt service or direct loan programs for 200 or more students.

(2) In all other areas, to:

(a) Subdivisions having 10 or more lots.

(b) Multifamily projects having 25 or more dwelling units.

(c) Mobile home courts with 25 or more spaces.

(d) College housing provided under the debt service or direct loan programs for 100 or more students.

d. As an alternative to the above procedure, the developer may submit his application directly to the appropriate clearinghouses prior to submitting it to the Federal agency. In such cases, the application, when submitted to the Federal agency, will be accompanied by the comments of the clearinghouses.

e. Exemption: Applications for additional units in a subdivision substantially completed (i.e., with streets, water and sewer facilities, culverts, etc.) are exempted from this requirement when:

(1) The subdivision was approved and/or recorded by the appropriate unit of local government within three years of the application submittal; and

(2) In cases of subdivisions approved more than three years prior, the clearinghouses waive the requirement.

This exemption does not apply to applications for housing in an undeveloped subdivision or in proposed extensions of existing subdivisions.

8. *Coverage, exceptions, and variations.* a. Generally, this Part of this Circular and the laws on which it is based are concerned with programs providing financial assistance to projects and activities which have an impact on State, areawide, and local development, including development of natural, economic, and human resources. This Part is concerned with achieving the most effective and efficient utilization of Federal assistance programs through coordination among and between Federal, multistate, State, areawide, and local plans and programs and the elimination of conflict, overlap, and duplication of projects and activities under such programs. Coverage under this Part includes, or will be extended from time to time as deemed necessary and practicable to include programs bearing upon these concerns and objectives.

b. Programs not considered appropriate to this Part are programs of the following types:

(1) Direct financial assistance to individuals or families for housing, welfare, health care services, education, training, economic improvement, and other direct assistance for individual and family enhancement.

(2) Incentive payments or insurance for private sector activities not involving real property development or land use and development.

(3) Agricultural crop supports or payments.

(4) Assistance to organizations and institutions for the provision of education or training not designed to meet the needs of specific individual States or localities.

(5) Research, not involving capital construction, which is national in scope or is not resigned to meet the needs or to address problems of a particular State, area, or locality (except in the case of demonstration or pilot research programs where projects may have an impact on the community or area in which they are being conducted).

(6) Assistance to educational, medical, or similar service institutions or agencies for internal staff development or management improvement purposes.

(7) Assistance to educational, institutions for activities that are part of a school's regular academic program and are not related to local programs of health, welfare, employment, or other social services.

(8) Assistance for construction involving only routine maintenance, repair, or minor construction which does not change the use or the scale or intensity of use of the structure or facility.

c. OMB will consider Federal agency requests for exemption of certain classes of projects or activities under programs otherwise covered which:

(1) Meet any of the above characteristics of programs inappropriate for coverage under this Part;

(2) Are of small scale or size or are highly localized as to impact; or

(3) Display other characteristics which might make review impractical.

d. OMB will consider Federal agency requests for procedural variations from normal review processes:

(1) On a temporary basis for programs with time constraints brought about because of start up requirements or other unusual circumstances beyond the control of the funding agency. (Note: Delay in fund availability is not normally an acceptable reason for a variation. When a delay is anticipated, applicants should be instructed to have their applications reviewed by clearinghouses in readiness for submission when funds become available.)

(2) For programs where statutory or related procedural limitations make the normal review processes impracticable.

e. All requests from Federal agencies for exemptions or procedural variations should be addressed to the Associate Director for Management and Operations, Office of Management and Budget.

f. Individual clearinghouses may exempt certain types of projects from review for reasons indicated above or for other reasons appropriate to the State or area.

g. Applicants should be made aware that, in various States, State law requires review of applications for Federal assistance under various programs not covered by this Part. Implementation of such laws is enforced through State rules and regulations, and applicants are urged to ascertain the existence of such laws and to acquaint themselves with applicable State procedures.

9. *Joint Funding.* Applications for assistance to activities under the Joint Funding Simplification Act (P.L. 93-510) or any other joint funding authority, which involve activities funded under one or more of the programs covered under this Part, will be subject to the requirements of this Part.

10. *Agency procedures and regulations.* a. Proposed agency procedures and regulations for implementing the requirements of this Part will be published in the FEDERAL REGISTER as specified in paragraph 7 of this Circular. Programs to which the procedures and regulations will apply will be cited by their numbers in the *Catalog of Federal Domestic Assistance*. Where such numbers have not yet been assigned, programs will be referenced by Public Law and section or by U.S. Code citation. Subsequent amendments to such procedures and regulations will also be published pursuant to paragraph 7 of the Circular.

b. As a part of such proposed procedures and regulations published in the FEDERAL REGISTER, agencies may identify specific types of projects which they believe should be exempt from coverage under programs for which proposed procedures and regulations are being published. Such publication will constitute a formal request for exemption to the Office of Management and Budget, to which it will respond in its review of the proposed procedures and regulations.

c. OMB will assist and cooperate with agencies in developing such procedures and regulations.

d. A copy of agency internal procedures for implementation of this Part, if not contained in the above procedures and regulations, will be sent to the Associate Director of the Office of Management and Budget for Management and Operations.

11. *Reports and directories.* a. The Director of the Office of Management and Budget may require reports, from time to time, on the implementation of this Part.

b. The Office of Management and Budget will maintain and distribute to appropriate Federal agencies a directory of State and areawide clearinghouses.

c. The Office of Management and Budget will notify Federal Regional Councils, clearinghouses, and Federal agencies of any excepted categories of projects under covered programs.

PART II: DIRECT FEDERAL DEVELOPMENT

1. *Purpose.* The purpose of this Part is to:

a. Provide State and local government with information on projected Federal development so as to facilitate coordination with State, areawide, and local plans and programs.

b. Provide Federal agencies with information on the relationship of proposed direct Federal development projects and activities to State, areawide, and local plans and programs; and to assure maximum feasible consistency of Federal developments with State, areawide, and local plans and programs.

c. Provide Federal agencies with information on the possible impact on the environment of proposed Federal development.

2. *Coordination of direct Federal development projects with State, areawide, and local development.* a. Federal agencies having responsibility for the planning and construction of Federal buildings and installations or other Federal public works or development or for the acquisition, use, and disposal of Federal land and real property will establish procedures for:

(1) Consulting with Governors, State and areawide clearinghouses, and local elected officials at the earliest practicable stage in project or development planning on the relationship of any plan or project to the development plans and programs of the State, area, or locality in which the project is to be located. In the case of projects in the National Capital Region, such consultation should be undertaken in cooperation with the the National Capital Planning Commission.

(2) Assuring that any such Federal plan or project is consistent or compatible with State, areawide, and local development plans and programs identified in the course of such consultations. Exceptions will be made only where there is clear justification. Explanation of any necessary inconsistency or incompatibility will be provided, in writing, to the appropriate clearinghouses.

(3) Providing State, areawide, and local agencies which are authorized to develop and enforce environmental standards with adequate opportunity to review such Federal plans and projects pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969. Any comments of such agencies will accompany the environmental impact statement submitted by the Federal agency.

(4) Providing, in the case of projects located in the coastal zone, the State agency responsible for administration of the approved program for the management of the coastal zone with opportunity to review the relationship of the proposed project to such program and its consistency therewith.

(5) Providing, through the appropriate clearinghouses, Health Systems Agencies and State Health Planning and Development Agencies designated pursuant to the National Health Planning and Resources Development Act of 1974 with adequate opportunity to review Federal projects for construction and/or equipment involving capital expenditures exceeding $200,000 for modernization, conversion, and expansion of Federal inpatient care facilities, which alter the bed capacity or modify the primary function of the facility, as well as plans for provision of major new medical care services. (Excluded are projects to renovate or install mechanical systems, air conditioning systems, or other similar internal system modifications.) The agencies are expected to evaluate proposed Federal projects for consistency with areawide and local health delivery plans and health supply-demand situations, as well as considering clearinghouse comments on such specific points as those listed in paragraph 5 of Part I. The comments of such agencies and any clearinghouse comments will accompany the plan and budget requests submitted by the Federal agency to the Office of Management and Budget or a certification that the agencies and clearinghouses had been provided a reasonable time to comment and had failed to do so.

3. *Use of clearinghouses.* The State and areawide planning and development clearinghouses established pursuant to Part I will be utilized to the greatest extent practicable to effectuate the requirements of this Part. Agencies are urged to establish early contact with clearinghouses to work out arrangements for carrying out the consultation and review required under this Part, including identification of types of projects considered appropriate for consultation and review. Clearinghouses may utilize criteria set forth in paragraph 5 of Part I in evaluating direct Federal development projects.

4. *Federal licenses and permits.* Agencies responsible for granting Federal licenses and permits for development projects and activities which would have a significant impact on State, interstate, areawide, or local development plans or programs or on the environment are strongly urged to consult with State and areawide clearinghouses and to seek their evaluations of such impacts prior to granting such licenses or permits.

5. *Agency procedures and regulations.* a. To the greatest extent possible, agencies engaged in direct Federal development activities will follow the general procedures outlined under Part I of Attachment A in affording State and areawide clearinghouses opportunities to review and comment on plans and developments.

b. Where legislative or executive constraints or related circumstances do not permit following such procedures, agency procedures and regulations will set forth for each program, at a minimum:

(1) The point in project planning at which clearinghouses will be contacted;

(2) The minimum time clearinghouses will be afforded to review the proposed project;

(3) The minimum information to be provided to the clearinghouses; and

(4) Procedures for notifying clearinghouses on actions taken on such project (implementation, timing, postponement, abandonment) and explaining actions taken contrary to clearinghouse recommendations.

c. The Office of Management and Budget will consider other procedures such as memoranda of agreement between Federal installations and clearinghouses for coordinating Federal and civilian planning, that are designed to achieve the objectives of this Part.

d. All proposed agency procedures and regulations to implement this Part will be published in the Federal Register pursuant to paragraph 7 of the Circular. OMB will assist and cooperate with agencies in developing such procedures and regulations.

PART III: STATE PLANS

1. *Purpose.* The purpose of this Part is to provide Federal agencies with information about the relationship to State or areawide comprehensive planning of State plans which are required or form

the basis for funding under various Federal programs.

2. *State plans*. To the extent not presently required by statute or administrative regulation, Federal agencies administering programs requiring by statute or regulation a State plan as a condition of assistance under such programs will require that the Governor, or his delegated agency, be given the opportunity to comment on the relationship of such State plan to comprehensive and other State plans and programs and to those of affected areawide or local jurisdictions. The Governor is urged to involve areawide clearinghouses in the review of State plans, particularly where such plans have specific applicability to or affect areawide or local plans and programs.

a. The Governor will be afforded a period of 45 days in which to make such comments, and any such comments will be transmitted with the plan.

b. A "State plan" under this Part is defined to include any required supporting planning reports or documentation that indicate the programs, projects, and activities for which Federal funds will be utilized. Such reports or documentation will also be submitted for review at the request of the Governor or the agency he has designated to perform review under this Part.

c. Programs requiring State plans are listed in Appendix II of the *Catalog of Federal Domestic Assistance*.

PART IV: COORDINATION OF PLANNING IN MULTIJURISDICTIONAL AREAS

1. *Policies and objectives*. The purposes of this Part are:

a. To encourage and facilitate State and local initiative and responsibility in developing organizational and procedural arrangements for coordinating comprehensive and functional planning activities.

b. To eliminate overlap, duplication, and competition in areawide planning activities assisted or required under Federal programs and to encourage the most effective use of State and local resources available for planning.

c. To minimize inconsistency among Federal administrative and approval requirements placed on areawide planning activities.

d. To encourage the States to exercise leadership in delineating and establishing a system of planning and development districts or regions in each State, which can provide a consistent geographic base for the planning and coordination of Federal, State, and local development programs.

e. To encourage Federal agencies administering programs assisting or requiring areawide planning to utilize agencies that have been designated to perform areawide comprehensive planning in planning and development districts or regions established pursuant to subparagraph d above (generally, areawide clearinghouses designated pursuant to Part I of Attachment A of this Circular) to carry out or coordinate planning under such programs. In the case of interstate metropolitan areas, agencies designated as metropolitan areawide clearinghouses should be utilized to the extent possible to carry out or coordinate Federally assisted or required areawide planning.

2. *Common or consistent planning and development districts or regions*. a. Prior to the designation or redesignation (or approval thereof) of any planning and development district or region under any Federal program, Federal agency procedures will provide a period of 30 days for the Governor(s) of the State(s) in which the district or region will be located to review the boundaries thereof and comment upon its relationship to planning and development districts or regions established by the State. Where the State has established such planning and development districts, the boundaries of areas designated under Federal programs will conform to them unless there is clear justification for not doing so.

b. Where the State has not established planning and development districts or regions which provide a basis for evaluation of the boundaries of the area proposed for designation, major units of general local government and the appropriate Federal Regional Council in such areas will also be consulted prior to designation of the area to assure consistency with districts established under inter-local agreement and under related Federal programs.

c. The Office of Management and Budget will be notified through the appropriate Federal Regional Council by Federal agencies of any proposed designation and will be informed of such designation when it is made, including such justifications as may be required under subparagraph a above.

3. *Common and consistent planning bases and coordination of related activities in multijurisdictional areas*. Each agency will develop procedures and requirements for applications for multijurisdictional planning and development assistance under appropriate programs to assure the fullest consistency and coordination with related planning and development being carried on by the areawide comprehensive planning agency or clearinghouse designated under Part I of this Circular in the multijurisdictional area.

Such procedures shall include provision for submission to the funding agency by any applicant for multijurisdictional planning assistance, if the applicant is other than an areawide comprehensive planning agency referred to in paragraph 1e of this Part, of a memorandum of agreement between the applicant and such areawide comprehensive planning agency covering the means by which their planning activities will be coordinated. The agreement will cover but need not be limited to the following matters:

a. Identification of relationships between the planning proposed by the applicant and that of the areawide agency and of similar or related activities that will require coordination;

b. The organizational and procedural arrangements for coordinating such activities, such as: Overlapping board membership, procedures for joint reviews of projected activities and policies, information exchange, etc.;

c. Cooperative arrangements for sharing planning resources (funds, personnel, facilities, and services);

d. Agreed upon base data, statistics, and projections (social, economic, demographic) on the basis of which planning in the area will proceed.

Where an applicant has been unable to effectuate such an agreement, he will submit a statement indicating the efforts he has made to secure agreement and the issues that have prevented it. In such case, the funding agency, in consultation with the Federal Regional Council and the State clearinghouse designated under Part I, will undertake, within a 30 days period after receipt of the application, resolution of the issues before approving the application, if it is otherwise in good order.

4. *Joint funding*. Where it will enhance the quality, comprehensive scope, and coordination of planning in multijurisdictional areas, Federal agencies will, to the extent practicable, provide for joint funding of planning activities being carried on therein.

5. *Coordination of agency procedures and regulations*. With respect to the steps called for in paragraphs 2 and 3 of this Part, departments and agencies will develop for relevant programs appropriate draft procedures and regulations which will be published in the FEDERAL REGISTER pursuant to paragraph 7 of this Circular. Copies of such drafts will be furnished to the Director of the Office of Management and Budget and to the heads of departments and agencies administering related programs. The Office, in consultation with the agencies, will review the draft procedures and regulations to assure the maximum obtainable consistency among them.

PART V: DEFINITIONS

Term used in this Circular will have following meanings:

1. *Federal agency*—any department, agency, or instrumentality in the executivt branch of the Government and any wholly owned Government corporation.

2. *State*—any of the several States of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the governments of the political subdivisions of the State.

3. *Unit of general local government*—any city, county, town, parish, village, or other general purpose political subdivision of a State.

4. *Special purpose unit of local government*—any special district, public purpose corporation, or other strictly limited purpose political subdivision of a

State, but shall not include a school district.

5. *Federal assistance, Federal financial assistance, Federal assistance program, or federally assisted programs*—programs that provide assistance through grant or contractual arrangements. They include technical assistance programs, or programs providing assistance in the form of loans, loan guarantees, or insurance. The term does not include any annual payment by the United States to the District of Columbia authorized by article VI of the District of Columbia Revenue Act of 1947 (D.C. Code sec. 47-2501a and 47-2501b).

6. *Funding agency.* The Federal agency or, in the case of certain formula grant programs, the State agency which is responsible for final approval of applications for assistanct.

7. *Comprehensive planning,* to the extent directly related to area needs or needs of a unit of general local government, including the following:

a. Preparation, as a guide for governmental policies and action, of general plans with respect to:

(1) Pattern and intensity of land use,

(2) Provision of public facilities (including transportation facilities) and other government services.

(3) Effective development and utilization of human and natural resources.

b. Preparation of long range physical and fiscal plans for such action.

c. Programming of capital improvements and other major expenditures, based on a determination of related urgency, together with definitive financing plans for such expenditures in the earlier years of the program.

d. Coordination of all related plans and activities of the State and local governments and agencies concerned.

e. Preparation of regulatory and administrative measures in support of the foregoing.

8. *Metropolitan area*—a standard metropolitan statistical area as established by the Office of Management and Budget, subject, however, to such modifications and extensions as the Office of Management and Budget may determine to be appropriate for the purposes of section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, and these Regulations.

9. *Areawide*—Comprising, in metropolitan areas, the whole of contiguous urban and urbanizing areas; and in nonmetropolitan areas, contiguous counties or other multijurisdictional areas having common or related social, economic, or physical characteristics indicating a community of developmental interests; or, in either, the area included in a substate district designated pursuant to paragraph 1d, Part IV, Attachment A of this Circular.

10. *Planning and development clearinghouses or clearinghouse* includes:

a. *"State clearinghouse"*—an agency of the State Government designated by the Governor or by State law to carry out the requirements of Part I of Attachment A of this Circular.

b. *"Areawide clearinghouse"*—(1) In nonmetropolitan areas a comprehensive planning agency designated by the Governor (or Governors in the case of regions extending into more than one State) or by State law to carry out requirements of this Circular; or

(2) In metropolitan areas an areawide agency that has been recognized by the Office of Management and Budget as an appropriate agency to perform review functions under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, Title IV of the Intergovernmental Cooperation Act of 1968, and this Circular.

11. *Multijurisdictional area*—any geographical area comprising, encompassing, or extending into more than one unit of general local government.

12. *Planning and development district or region*—a multijurisdictional area that has been formally designated or recognized as an appropriate area for planning under State law or Federal program requirements.

13. *Direct Federal development*—planning and construction of public works, physical facilities, and installations or land and real property development (including the acquisition, use, and disposal of real property) undertaken by or for the use of the Federal Government or any of its agencies; or the leasing of real property for Federal use where the use or intensity of use of such property will be substantially altered.

ATTACHMENT B—CIRCULAR NO. A-95 REVISED

Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 as amended (80 Stat. 1263, 82 Stat. 208)

"Sec. 204. (a) All applications made after June 30, 1967, for Federal loans or grants to assist in carrying out open-space land projects or for planning or construction of hospitals, airports, libraries, water supply and distribution facilities, sewage facilities and waste treatment works, highways, transportation facilities, low enforcement facilities, and water development and land conservation projects within any metropolitan area shall be submitted for review—

"(1) to any areawide agency which is designated to perform metropolitan or regional planning for the area within which the assistance is to be used, and which is, to the greatest practicable extent, composed of or responsible to the elected officials of a unit of areawide government or of the units of general local government within whose jurisdiction such agency is authorized to engage in such planning, and

"(2) if made by a special purpose unit of local government, to the unit or units of general local government with authority to operate in the area within which the project is to be located.

"(b)(1) Except as provided in paragraph (2) of this subsection, each application shall be accompanied (A) by the comments and recommendations with respect to the project involved by the areawide agency and governing bodies of the units of general local government to which the application has been submitted for review, and (B) by a statement by the applicant that such comments and recommendations have been considered prior to formal submission of the application. Such comments shall include information concerning the extent to which the project is consistent with comprehensive planning developed or in the process of development for the metropolitan area or the unit of general local government, as the case may be, and the extent to which such project contributes to the fulfillment of such planning. The comments and recommendations and the statement referred to in this paragraph shall, except in the case referred to in paragraph (2) of this subsection, be reviewed by the agency of the Federal Government to which such application is submitted for the sole purpose of assisting it in determining whether the application is in accordance with the provisions of Federal law which govern the making of the loans or grants.

"(2) An application for a Federal loan or grant need not be accompanied by the comments and recommendations and the statements referred to in paragraph b(1) of this subsection, if the applicant certifies that a plan or description of the project, meeting the requirements of such rules and regulations as may be prescribed under subsection (c), or such application, has lain before an appropriate areawide agency or instrumentality or unit of general local government for a period of sixty days without comments or recommendations thereon being made by such agency or instrumentality.

"(3) The requirements of paragraphs (1) and (2) shall also apply to any amendment of the application which, in light of the purposes of this title, involves a major change in the project covered by the application prior to such amendment.

"(c) The Bureau of the Budget, or such other agency as may be designated by the President, is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this section."

TITLE IV OF THE INTERGOVERNMENTAL COOPERATION ACT OF 1968 (82 STAT. 1103)

"Title IV—Coordinated Intergovernmental Policy and Administration of Development Assistance Programs"

"Declaration of development assistance policy"

"Sec. 401. (a) The economic and social development of the Nation and the achievement of satisfactory levels of living depend upon the sound and orderly development of all areas, both urban and rural. Moreover, in a time of rapid urbanization, the sound and orderly development of urban communities depends to a large degree upon the social and economic health and the sound development of small communities and rural areas. The President shall, therefore, establish rules and regulations governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development, including programs providing Federal assistance to the States and localities, to the end that they shall most effectively serve these basic objectives. Such rules and regulations shall provide for full consideration of the concurrent achievement of the following specific objectives and, to the extent authorized by law, reasoned choices shall be made between such objectives when they conflict:

"(1) Appropriate land uses for housing, commercial, industrial, governmental, institutional, and other purposes;

"(2) Wise development and conservation of natural resources, including land, water, minerals, wildlife, and others;

"(3) Balanced transportation systems, including highway, air, water, pedestrian, mass transit, and other modes for the movement of people and goods;

"(4) Adequate outdoor recreation and open space;

"(5) Protection of areas of unique natural beauty, historical and scientific interest;

"(6) Properly planned community facilities, including utilities for the supply of power, water, and communications, for the safe disposal of wastes, and for other purposes; and

"(7) Concern for high standards of design.

"(b) All viewpoints—national, regional, State and local—shall, to the extent possible, be fully considered and taken into account in planning Federal or federally assisted development programs and projects. State and local government objectives, together with the objectives of regional organizations shall be considered and evaluated within a framework of national public objectives, as expressed in Federal law, and available projections of future national conditions and needs of regions, States, and localities shall be considered in plan formulation, evaluation, and review.

"(c) To the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of State, regional, and local comprehensive planning. Consideration shall be given to all developmental aspects of our total national community, including but not limited to housing, transportation, economic development, natural and human resources development, community facilities, and the general improvement of living environments.

"(d) Each Federal department and agency administering a development assistance program shall, to the maximum extent practicable, consult with and seek advice from all other significantly affected Federal departments and agencies in an effort to assure fully coordinated programs.

"(e) Insofar as possible, systematic planning required by individual Federal programs (such as highway construction, urban renewal, and open space) shall be coordinated with and, to the extent authorized by law, made part of comprehensive local and areawide development planning."

"Favoring units of general local government"

"Sec. 402. Where Federal law provides that both special-purpose units of local government and units of general local government are eligible to receive loans or grants-in-aid, heads of Federal departments and agencies shall, in the absence of substantial reasons to the contrary, make such loans or grants-in-aid to units of general local government rather than to special-purpose units of local government."

"Rules and regulations"

"Sec. 403. The Bureau of the Budget, or such other agency as may be designated by the President, is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this title."

ATTACHMENT C—CIRCULAR No. A-95 REVISED

SECTION 102(2)(C) OF THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (83 STAT. 853)

"Sec. 102. The Congress authorizes and directs that, to the fullest extent possible: (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act, and (2) all agencies of the Federal Government shall— * * *

"(C) include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

"(i) the environmental impact of the proposed action,

"(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

"(iii) alternatives to the proposed action,

"(iv) the relationship between local short-term use of man's environment and the maintenance and enhancement of long-term productivity, and

"(v) any irreversible or irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

"Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of Title 5, United States Code, and shall accompany the proposal through the existing agency review processes; * * *."

ATTACHMENT D—CIRCULAR No. A-95 REVISED

Coverage of Programs Under Attachment A, Part I

1. Programs listed below are referenced several ways, due to transitional phases in program development, funding status, etc. Generally, citations are to programs as they are listed in the June, 1975 *Catalog of Federal Domestic Assistance*. For certain new legislation, *Catalog* citations have not yet been developed. In such cases, references are to Public Law number and section. When no funding is available for a program, it is not generally listed in the *Catalog* or this Attachment; but if funding becomes available for a program previously covered, it continues to be covered unless specifically exempted by OMB. The *Catalog* is issued annually and revised periodically during the year. Every effort will be made to keep Appendix I and Attachment D current. Reference should always be made to the one bearing the latest issue date. (However, the update to the 1975 *Catalog* will not reflect all the changes herein. Therefore, this list should be referenced until issuance of the 1976 *Catalog*.)

Asterisks indicate certain State formula grant programs requiring State plans which are also covered under Part III. When listed under Part I, reference is to applications for subgrants under the State allocation, not to the State's application for its allocation under the formula grant which is reviewable under Part III.

2. Heads of Federal departments and agencies may, with the concurrence of the Office of Management and Budget, exclude certain categories of projects or activities under listed programs from the requirements of Attachment A, Part I. (Also see Part I, paragraph 8.)

3. *Covered programs:*

Department of Agriculture

10.405	Farm Labor Housing Loans and Grants.
10.409	Irrigation, Drainage, and Other Soil and Water Conservation Loans. (Exception: Loans to grazing associations to develop additional pasturage and loans for purchase of equipment.)
10.410	Low to Moderate Income Housing Loans.
10.411	Rural Housing Site Loans.
10.414	Resource Conservation and Development Loans.
10.415	Rural Rental Housing Loans.
10.418	Water and Waste Disposal Systems for Rural Communities.
10.419	Watershed Protection and Flood Prevention Loans.
10.420	Rural Self-Help Housing Technical Assistance.
10.422	Business and Industrial Development Loans. (Exception: Loans to rural small businesses having no significant impact outside community in which located.)
10.423	Community Facilities Loans.
10.424	Industrial Development Grants.
10.656	Cooperative Forest Insect and Disease Control.

10.901 Resources Conservation and Development. (Exception: Small projects costing under $7500 for erosion and sediment control and land stabilization and for rehabilitation and consolidation of existing irrigation systems.)
10.904 Watershed Protection and Flood Prevention.

Department of Commerce

11.300 Economic Development — Grants and Loans for Public Works and Development Facilities.
11.302 Economic Development — Support for Planning Organizations.
11.303 Economic Development—Technical Assistance.
11.304 Economic Development—Public Works Impact Projects (Procedural variation).
11.305 Economic Development—State and Local Economic Development Planning.
11.306 Economic Development—District Operational Assistance.
11.307 Economic Development—Special Economic Development and Adjustment Assistance Program.
11.308 Grants to States for Supplemental and Basic Funding of Title I, II, and IV Activities. (Basic grants only.)
11.405 Anadromous and Great Lakes Fisheries Development.
11.407 Commercial Fisheries Research and Development.
11.418 Coastal Zone Management Program Development.
11.419 Coastal Zone Management Program Administration.
11.420 Coastal Zone Management—Estuarine Sanctuaries.

Department of Defense

12.101 Beach Erosion Control Projects.
12.106 Flood Control Projects.
12.107 Navigation Projects.
12.108 Snagging and Clearing for Flood Control.

Department of Health, Education, and Welfare

13.210* Comprehensive Public Health Services—Formula Grants.
13.211* Crippled Children's Services.
13.217* Family Planning Projects.
13.224 Health Services Development—Project Grants.
13.232* Maternal and Child Health Services.
13.235 Drug Abuse Community Service Programs.
13.237 Mental Health—Hospital Improvement Grants.
13.240 Mental Health—Community Mental Health Centers.
13.246 Migrant Health Grants.
13.251 Alcohol—Community Service Programs.
13.252 Alcohol Demonstration Programs.
13.254 Drug Abuse Demonstration Programs.
13.256 Office for Health Maintenance Organization (HMOS).
13.258* National Health Service Corps.
13.259 Mental Health—Children's Services.
13.260 Family Planning Services—Training Grants.
13.261 Family Health Centers.
13.266 Childhood Lead-Based Paint Poisoning Control.
13.267 Urban Rat Control.
13.268 Disease Control—Project Grants.
13.275 Drug Abuse Education Programs.
13.284 Emergency Medical Services.
13.286 Limitation on Federal Participation for Capital Expenditures.
13.340 Health Professions Teaching Facilities—Construction Grants.
13.369 Nursing School Construction—Loan Guarantees and Interest Subsidies.
13.378 Health Professions Teaching Facilities—Loan Guarantees and Interest Subsidies.
13.393 Cancer—Construction
13.400* Adult Education—Grants to States.
13.401 Adult Education—Special Projects.
13.406* Construction of Public Libraries.
13.421 Educational Personnel Training Grants—Career Opportunities.
13.437 Educationally Deprived Children—Handicapped.
13.428* Educationally Deprived Children—Local Educational Agencies.
13.429* Educationally Deprived Children—Migrants.
13.433 Follow Through.
13.464* Library Services—Grants for Public Libraries.
13.477 School Assistance in Federally Affected Areas—Construction.
13.493* Vocational Education — Basic Grants to States.
13.494* Vocational Education—Consumer and Homemaking.
13.495* Vocational Education—Cooperative Education.
13.499* Vocational Education — Special Needs.
13.501* Vocational Education—Work Study.
13.502* Vocational Education—Innovation.
13.516 Supplementary Educational Centers and Services—Special Programs and Projects.
13.519* Supplementary Educational Centers and Services, Guidance, Counseling, and Testing.
13.520 Special Programs for Children with Specific Learning Disabilities.
13.522 Environmental Education.
13.543 Educational Opportunity Centers.
13.570* Libraries and Learning Resources.
13.600 Child Development—Head Start.
13.612 Native American Programs.
13.623 Runaway Youth.
13.624* Rehabilitation Services and Facilities—Basic Support.
13.626 Rehabilitation Services and Facilities—Special Projects.
13.628 Child Development—Child Abuse and Neglect Prevention and Treatment.
13.630* Developmental Disabilities—Basic Support.
13.631 Developmental Disabilities—Special Projects.
13.633* Special Programs for the Aging—State Agency Activities and Area Planning and Social Services Programs.
13.634 Aging Programs Title III, Section 308, Model Projects.
13.635* Special Programs for the Aging—Nutrition Program for the Elderly.
16.636 Programs for the Aging—Research and Demonstration
16.637* Programs for the Aging—Training.
P.L. 93-318: (Section 161) Construction of Academic Facilities
P.L. 93-641: (Section 1516) Planning Grants to Health Systems Agencies: (Section 1601 *et seq.*, Title XVI Public Health Service Act) Assistance for modernization, construction or conversion of medical facilities. These programs will replace *Catalog* 13.206, 13.220, 13.249, and 13.253.

Department of Housing and Urban Development

14.001 Flood Insurance (Applications for community eligibility).
14.103 Interest Reduction Payments-Rental and Cooperative Housing for Lower Income Families.
14.105 Interest Subsidy—Homes for Lower Income Families.
14.112 Mortgage Insurance—Construction or Rehabilitation of Condominium Projects.
14.115 Mortgage Insurance—Development of Sales-Type Cooperative Projects.
14.116 Mortgage Insurance—Group Practice Facilities.
14.117 Mortgage Insurance—Homes.
14.118 Mortgage Insurance—Homes for Certified Veterans.
14.119 Mortgage Insurance—Homes for Disaster Victims.
14.120 Mortgage Insurance—Homes for Low and Moderate Income Families.
14.121 Mortgage Insurance—Homes in Outlying Areas.
14.122 Mortgage Insurance—Homes in Urban Renewal Areas.
14.124 Mortgage Insurance—Investor Sponsored Cooperative Housing.
14.125 Mortgage Insurance—Land Development and New Communities.
14.126 Mortgage Insurance—Management-Type Cooperative Projects.
14.127 Mortgage Insurance—Mobile Home Parks.
14.128 Mortgage Insurance—Hospitals.
14.129 Mortgage Insurance—Nursing Homes and Related Care Facilities.
14.134 Mortgage Insurance—Rental Housing.
14.135 Mortgage Insurance—Rental Housing for Moderate Income Families.
14.137 Mortgage Insurance—Rental Housing for Low and Moderate Income Families, Market Interest Rate.
14.138 Mortgage Insurance—Rental Housing for the Elderly.
14.139 Mortgage Insurance—Rental Housing in Urban Renewal Areas.
14.141 Nonprofit Housing Sponsor Loans—Planning Projects for Low and Moderate Income Families.
14.146 Public Housing — Acquisition. (Turnkey and Conventional Production Methods.) (New construction only.)
14.149 Rent Supplements—Rental Housing for Lower Income Families.
14.154 Mortgage Insurance—Experimental Rental Housing.
14.156 Lower Income Housing Assistance Program.
14.203 Comprehensive Planning Assistance.
14.207 New Communities—Loan Guarantees.
14.218 Community Development Block Grants—Entitlement Grants.
14.219 Community Development Block Grants—Discretionary Grants.
14.702 State Disaster Preparedness Grants.

Department of the Interior

15.350 Coal Mine Health and Safety Grants.
15.400* Outdoor Recreation—Acquisition, Development and Planning.
15.501 Irrigation Distribution System Loans.
15.503 Small Reclamation Projects.
15.600 Anadromous Fish Conservation.
15.606 Fish Restoration.
15.611 Wildlife Reestoration.
15.904 Historic Preservation.

Department of Justice

16.500 Law Enforcement Assistance—Comprehensive Planning Grants.
16.501 Law Enforcement Assistance—Discretionary Grants.
16.502* Law Enforcement Assistance—Improving and Strengthening Law Enforcement and Criminal Justice.
16.515 Criminal Justice Systems Development.

16.516	Law Enforcement Assistance—Juvenile Justice and Delinquency Prevention—Allocation to States.
16.517	Law Enforcement Assistance Administration—JJPD Special Emphasis Prevention and Treatment.

Department of Labor

17.211	Job Corps.
17.226	Work Incentives Program (WIN).
17.230	Farm Workers. (Procedural variation.)
17.232*	Comprehensive Employment and Training Programs.

Department of Transportation

20.102	Airport Development Aid Program.
20.103	Airport Planning Grant Program.
20.205	Highway Research, Planning, and Construction.
20.214	Highway Beautification—Control of Outdoor Advertising, Control of Junkyards, Landscaping and Scenic Enhancement.
20.500	Urban Mass Transportation Capital Improvement Grants. (Planning and construction only.)
20.501	Urban Mass Transportation Capital Improvement Loans. (Planning and construction only.)
20.505	Urban Mass Transportation Technical Studies Grants. (Planning and construction only.)
20.506	Urban Mass Transportation Demonstration Grants.
20.507	Urban Mass Transportation Capital and Operating Assistance Formula Grants.

Appalachian Regional Commission

23.003	Appalachian Development Highway System.
23.004	Appalachian Health Demonstration.
23.005	Appalachian Housing Planning Loan Fund.
23.008	Appalachian Local Access Roads.
23.010	Appalachian Mine Area Restoration.
23.011	Appalachian State Research, Technical Assistance, and Demonstration Projects.
23.012	Appalachian Vocational Education Facilities and Operations.
23.013	Appalachian Child Development.
23.014	Appalachian Housing Site Development and Office State Improvement Grants.
23.016	Appalachian Vocational Education and Technical Education Demonstration Grants.

(NOTE.—Except for 23.011, administration of these grants is not in the Commission but in the appropriate program agency—e.g., 23.003 is handled by DOT. For 23.002, Appalachian Supplements to Federal Grants-in-aid, which can provide all or any portion of the Federal contribution under certain defined grant-in-aid programs, coverage under Part I is determined by the provisions applicable to the basic grant-in-aid program. For 28.003, 38.003, 48.003, 52.003, and 63.003—Regional Commission Supplements to Federal Grants-in-aid the same rule would apply.)

Coastal Plains Regional Commission

28.003	Coastal Plains Technical and Planning Assistance.

(See note under Appalachian Regional Commission programs.)

Four Corners Regional Commission

38.002	Four Corners Technical and Planning Assistance.

(See note under Appalachian Regional Commission programs.)

National Science Foundation

47.036	Intergovernmental Science.

New England Regional Commission

48.002	New England Technical and Planning Assistance.

(See note under Appalachian Regional Commission programs.)

Community Services Administration

49.002	Community Action.
49.010	Older Persons Opportunities and Services.
49.011	Community Economic Development.

Ozarks Regional Commission

52.002	Ozarks Technical and Planning Assistance.

(See note under Appalachian Regional Commission programs.)

Upper Great Lakes Regional Commission

63.002	Upper Great Lakes Technical and Planning Assistance.

(See note under Appalachian Regional Commission programs.)

Veterans Administration

64.005	Grants to States for Construction of State Nursing Home Care Facilities.
64.017	Grants to States for Remodeling of State Home Hospital/Domiciliary Facilities.
64.020	Assistance in the Establishment of New State Medical Schools.
64.021	Grants to Affiliated Medical Schools—Assistance to Health Manpower Training Institutes.
64.114	Veterans Housing—Guaranteed and Insured Loans (GI Home Loans).

Water Resources Council

65.001	Water Resources Planning.

Environmental Protection Agency

66.001	Air Pollution Control Program Grants.
66.005	Air Pollution Survey and Demonstration Grants.
66.027	Solid Waste Planning Grants.
66.028	Solid Waste Demonstration Grants.
66.418	Construction Grants for Wastewater Treatment Works.
66.419	Water Pollution Control-State and Interstate Program Grants.
66.426	Water Pollution Control—Areawide Waste Treatment Management Planning Grants.
66.432	Grants for State Public Water System Subdivision Programs.
66.433	Grants for Underground Injection Control Programs.
66.505	Water Pollution Control Demonstration Grants.
66.506	Safe Drinking Water Research and Demonstration Grants. (Demonstration only).
66.600	Environmental Protection—Consolidated Program Grants.
66.602	Environmental Protection—Consolidated Special Purpose Grants.

Action

72.001	Foster Grandparents.
72.002	Retired Senior Volunteer Program.
72.008	The Senior Companion Program.

Old Western Regional Commission

75.002	Old West Technical and Planning Assistance.

Pacific Northwest Regional Commission

76.002	Pacific Northwest Technical and Planning Assistance Regulations.

Attachment E

OMB Approval No. 29-R0218

FEDERAL ASSISTANCE

SECTION I—APPLICANT/RECIPIENT DATA

1. TYPE OF ACTION (Mark appropriate box)
☐ PREAPPLICATION
☐ APPLICATION
☐ NOTIFICATION OF INTENT (Opt.)
☐ REPORT OF FEDERAL ACTION

2. APPLICANT'S APPLICATION
a. NUMBER
b. DATE Year month day 19

3. STATE APPLICATION IDENTIFIER
a. NUMBER
b. DATE ASSIGNED Year month day 19

Leave Blank

4. LEGAL APPLICANT/RECIPIENT
a. Applicant Name :
b. Organization Unit :
c. Street/P.O. Box :
d. City :
e. County :
f. State :
g. ZIP Code:
h. Contact Person (Name & telephone No.) :

5. FEDERAL EMPLOYER IDENTIFICATION NO.

6. PROGRAM (From Federal Catalog)
a. NUMBER ☐☐.☐☐☐
b. TITLE

7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT

8. TYPE OF APPLICANT/RECIPIENT
A–State
B–Interstate
C–Substate District
D–County
E–City
F–School District
G–Special Purpose District
H–Community Action Agency
I–Higher Educational Institution
J–Indian Tribe
K–Other (Specify):
Enter appropriate letter ☐

9. TYPE OF ASSISTANCE
A–Basic Grant
B–Supplemental Grant
C–Loan
D–Insurance
E–Other
Enter appropriate letter(s) ☐☐

10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)

11. ESTIMATED NUMBER OF PERSONS BENEFITING

12. TYPE OF APPLICATION
A–New
B–Renewal
C–Revision
D–Continuation
E–Augmentation
Enter appropriate letter ☐

13. PROPOSED FUNDING

a. FEDERAL	$	.00
b. APPLICANT		.00
c. STATE		.00
d. LOCAL		.00
e. OTHER		.00
f. TOTAL	$	.00

14. CONGRESSIONAL DISTRICTS OF:
a. APPLICANT
b. PROJECT

15. TYPE OF CHANGE (For 12c or 12e)
A–Increase Dollars
B–Decrease Dollars
C–Increase Duration
D–Decrease Duration
E–Cancellation
F–Other (Specify):
Enter appropriate letter(s) ☐☐☐

16. PROJECT START DATE Year month day 19

17. PROJECT DURATION Months

18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY ▶ Year month day 19

19. EXISTING FEDERAL IDENTIFICATION NUMBER

20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)

21. REMARKS ADDED ☐ Yes ☐ No

SECTION II—CERTIFICATION

22. THE APPLICANT CERTIFIES THAT ▶
a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved.
b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:

	No response	Response attached
(1)	☐	☐
(2)	☐	☐
(3)	☐	☐

23. CERTIFYING REPRESENTATIVE
a. TYPED NAME AND TITLE
b. SIGNATURE
c. DATE SIGNED Year month day 19

SECTION III—FEDERAL AGENCY ACTION

24. AGENCY NAME

25. APPLICATION RECEIVED Year month day 19

26. ORGANIZATIONAL UNIT

27. ADMINISTRATIVE OFFICE

28. FEDERAL APPLICATION IDENTIFICATION

29. ADDRESS

30. FEDERAL GRANT IDENTIFICATION

31. ACTION TAKEN
☐ a. AWARDED
☐ b. REJECTED
☐ c. RETURNED FOR AMENDMENT
☐ d. DEFERRED
☐ e. WITHDRAWN

32. FUNDING

a. FEDERAL	$	.00
b. APPLICANT		.00
c. STATE		.00
d. LOCAL		.00
e. OTHER		.00
f. TOTAL	$	.00

33. ACTION DATE ▶ Year month day 19

34. STARTING DATE Year month day 19

35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)

36. ENDING DATE Year month day 19

37. REMARKS ADDED ☐ Yes ☐ No

38. FEDERAL AGENCY A-95 ACTION
a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made.
b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)

STANDARD FORM 424 PAGE 1 (10-75)
Prescribed by GSA, Federal Management Circular 74-7

SECTION IV—REMARKS *(Please reference the proper line number from Sections I, II or III, if applicable)*

STANDARD FORM 424 PAGE 5 (10-75)

GENERAL INSTRUCTIONS

This is a multi-purpose standard form. First, it will be used by applicants as a required facesheet for pre-applications and applications submitted in accordance with Federal Management Circular 74–7. Second, it will be used by Federal agencies to report to Clearinghouses on major actions taken on applications reviewed by clearinghouses in accordance with OMB Circular A–95. Third, it will be used by Federal agencies to notify States of grants-in-aid awarded in accordance with Treasury Circular 1082. Fourth, it may be used, on an optional basis, as a notification of intent from applicants to clearinghouses, as an early initial notice that Federal assistance is to be applied for (clearinghouse procedures will govern).

APPLICANT PROCEDURES FOR SECTION I

Applicant will complete all items in Section I. If an item is not applicable, write "NA". If additional space is needed, insert an asterisk "*", and use the remarks section on the back of the form. An explanation follows for each item:

Item

1. Mark appropriate box. Pre-application and application guidance is in FMC 74–7 and Federal agency program instructions. Notification of intent guidance is in Circular A–95 and procedures from clearinghouse. Applicant will not use "Report of Federal Action" box.

2a. Applicant's own control number, if desired.

2b. Date Section I is prepared.

3a. Number assigned by State clearinghouse, or if delegated by State, by areawide clearinghouse. All requests to Federal agencies must contain this identifier if the program is covered by Circular A–95 and required by applicable State/areawide clearinghouse procedures. If in doubt, consult your clearinghouse.

3b. Date applicant notified of clearinghouse identifier.

4a–4h. Legal name of applicant/recipient, name of primary organizational unit which will undertake the assistance activity, complete address of applicant, and name and telephone number of person who can provide further information about this request.

5. Employer identification number of applicant as assigned by Internal Revenue Service.

6a. Use Catalog of Federal Domestic Assistance number assigned to program under which assistance is requested. If more than one program (e.g., joint-funding) write "multiple" and explain in remarks. If unknown, cite Public Law or U.S. Code.

6b. Program title from Federal Catalog. Abbreviate if necessary.

7. Brief title and appropriate description of project. For notification of intent, continue in remarks section if necessary to convey proper description.

8. Mostly self-explanatory. "City" includes town, township or other municipality.

9. Check the type(s) of assistance requested. The definitions of the terms are:

   A. Basic Grant. An original request for Federal funds. This would not include any contribution provided under a supplemental grant.

   B. Supplemental Grant. A request to increase a basic grant in certain cases where the eligible applicant cannot supply the required matching share of the basic Federal program (e.g., grants awarded by the Appalachian Regional Commission to provide the applicant a matching share).

   C. Loan. Self explanatory.

   D. Insurance. Self explanatory.

   E. Other. Explain on remarks page.

10. Governmental unit where significant and meaningful impact could be observed. List only largest unit or units affected, such as State, county, or city. If entire unit affected, list it rather than subunits.

11. Estimated number of persons directly benefiting from project.

12. Use appropriate code letter. Definitions are:

   A. New. A submittal for the first time for a new project.

   B. Renewal. An extension for an additional funding/budget period for a project having no projected completion date, but for which Federal support must be renewed each year.

   C. Revision. A modification to project nature or scope which may result in funding change (increase or decrease).

   D. Continuation. An extension for an additional funding/budget period for a project the agency initially agreed to fund for a definite number of years.

   E. Augmentation. A requirement for additional funds for a project previously awarded funds in the same funding/budget period. Project nature and scope unchanged.

13. Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of the change. For decreases enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 13a, amount requested from Federal Government; 13b, amount applicant will contribute; 13c, amount from State, if applicant is not a State; 13d, amount from local government, if applicant is not a local government; 13e, amount from any other sources; explain in remarks.

14a. Self explanatory.

14b. The district(s) where most of actual work will be accomplished. If city-wide or State-wide, covering several districts, write "city-wide" or "State-wide."

15. Complete only for revisions (item 12c), or augmentations (item 12e).

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Item	
16.	Approximate date project expected to begin (usually associated with estimated date of availability of funding).
17.	Estimated number of months to complete project after Federal funds are available.
18.	Estimated date preapplication/application will be submitted to Federal agency if this project requires clearinghouse review. If review not required, this date would usually be same as date in item 2b.

Item	
19.	Existing Federal identification number if this is not a new request and directly relates to a previous Federal action. Otherwise write "NA".
20.	Indicate Federal agency to which this request is addressed. Street address not required, but do use ZIP.
21.	Check appropriate box as to whether Section IV of form contains remarks and/or additional remarks are attached.

APPLICANT PROCEDURES FOR SECTION II

Applicants will always complete items 23a, 23b, and 23c. If clearinghouse review is required, item 22b must be fully completed. An explanation follows for each item:

Item	
22b.	List clearinghouses to which submitted and show in appropriate blocks the status of their responses. For more than three clearinghouses, continue in remarks section. All written comments submitted by or through clearinghouses must be attached.
23a.	Name and title of authorized representative of legal applicant.

Item	
23b.	Self explanatory.
23c.	Self explanatory.
Note:	Applicant completes only Sections I and II. Section III is completed by Federal agencies.

FEDERAL AGENCY PROCEDURES FOR SECTION III

If applicant-supplied information in Sections I and II needs no updating or adjustment to fit the final Federal action, the Federal agency will complete Section III only. An explanation for each item follows:

Item	
24.	Executive department or independent agency having program administration responsibility.
25.	Self explanatory.
26.	Primary organizational unit below department level having direct program management responsibility.
27.	Office directly monitoring the program.
28.	Use to identify non-award actions where Federal grant identifier in item 30 is not applicable or will not suffice.
29.	Complete address of administering office shown in item 26.
30.	Use to identify award actions where different from Federal application identifier in item 28.
31.	Self explanatory. Use remarks section to amplify where appropriate.
32.	Amount to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions will be included. If the action is a change in dollar amount of an existing grant (a revision or augmentation), indicate only the amount of change. For decreases, enclose the amount in parentheses. If both basic and supplemental amounts are included, breakout in remarks. For multiple program funding, use totals and show program breakouts in remarks. Item definitions: 32a, amount awarded by Federal Government; 32b, amount applicant will contribute; 32c, amount from State, if applicant is not a State; 32d, amount from local government if applicant is not a local government; 32e, amount from any other sources, explain in remarks.
33.	Date action was taken on this request.
34.	Date funds will become available.

Item	
35.	Name and telephone no. of agency person who can provide more information regarding this assistance.
36.	Date after which funds will no longer be available.
37.	Check appropriate box as to whether Section IV of form contains Federal remarks and/or attachment of additional remarks.
38.	For use with A-95 action notices only. Name and telephone of person who can assure that appropriate A-95 action has been taken—If same as person shown in item 35, write "same". If not applicable, write "NA".

Federal Agency Procedures—special considerations

A. Treasury Circular 1082 compliance. Federal agency will assure proper completion of Sections I and III. If Section I is being completed by Federal agency, all applicable items must be filled in. Addresses of State Information Reception Agencies (SCIRA's) are provided by Treasury Department to each agency. This form replaces SF 240, which will no longer be used.

B. *OMB Circular A-95 compliance.* Federal agency will assure proper completion of Sections I, II, and III. This form is required for notifying all reviewing clearinghouses of major actions on all programs reviewed under A-95. Addresses of State and areawide clearinghouses are provided by OMB to each agency. Substantive differences between applicant's request and/or clearinghouse recommendations, and the project as finally awarded will be explained in A-95 notifications to clearinghouses.

C. *Special note.* In most, but not all States, the A-95 State clearinghouse and the (TC 1082) SCIRA are the same office. In such cases, the A-95 award notice to the State clearinghouse will fulfill the TC 1082 award notice requirement to the State SCIRA. Duplicate notification should be avoided.

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[FR Doc.76-926 Filed 1-12-76;8:45 am]

JULY 1, 1976

OFFICE OF MANAGEMENT AND BUDGET

CIRCULAR NO.

A-95

WHAT IT IS -
HOW IT WORKS

A Handbook

A-95: WHAT IT IS -- HOW IT WORKS

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OMB CIRCULAR NO. A-95

WHAT IT IS -- HOW IT WORKS

Office of Management and Budget Circular No. A-95 is a regulation designed to promote maximum coordination of Federal and federally assisted programs and projects with each other and with State, areawide, and local plans and programs.

STRUCTURE OF THE CIRCULAR

OMB Circular No. A-95 comprises two components: the Circular itself, which is very brief, and five attachments. The Circular identifies the statutory authorities on which it is based, its primary objectives, and general provisions that apply to its several operative Parts.

Attachment A contains the operative requirements of the Circular and definitions of key terms used therein. Most of the definitions are statutory.

Attachment B contains the laws on which the Circular is based: Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and Title IV of the Intergovernmental Cooperation Act of 1968.

Attachment C contains the language of Section 102(2)(C) of the National Environmental Policy Act of 1969. The clearinghouse review system established under Part I of Attachment A is used in partial fulfillment of the Act. (NOTE: A-95 is often cited as being based, in part, on the National Environmental Policy Act. It is not, nor is it an extension of NEPA, but is a means to secure State and local inputs to Environmental Impact Statements as required by Section 102(2)(C) of the Act.)

Attachment D identifies the Federal domestic assistance programs covered by the Project Notification and Review System.

Attachment E is Standard Form 424 which is used to inform clearinghouses of actions taken on projects they have reviewed. SF 424 may also be used, at the election of any clearinghouse, as the Notification of Intent.

The Circular has four major parts under Attachment A:

- Part I, the "Project Notification and Review System" (PNRS), deals with State and local review of applications for Federal assistance.
- Part II, "Direct Federal Development," provides for consultation by Federal agencies with State and local government on direct Federal development projects.
- Part III, "State Plans," provides for gubernatorial review of State plans required under certain Federal formula grant programs.
- Part IV, "Coordination of Planning in Multijurisdictional Areas," promotes coordination of federally assisted planning at the substate regional level.

STATUTORY BASE

Circular No. A-95 was first issued July 24, 1969, in partial implementation of Title IV of the Intergovernmental Cooperation Act of 1968. A-95 also rescinded and incorporated the provisions of an earlier OMB directive, Circular No. A-82, which was issued to implement Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966.

Major revisions to the Circular were promulgated on February 9, 1971, November 13, 1973, and January 2, 1976 (published in the Federal Register, January 13, 1976). The revisions were occasioned by the need for clarification of some of the requirements and by demands for strengthening various of its provisions and for broadening the scope of the Federal programs and activities covered under its provisions.

The "Project Notification and Review System" is based in large measure on Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. Section 204 requires that applications for Federal assistance to a wide variety of public facility type projects (highways, hospitals, etc.) in metropolitan areas must be accompanied by the comments of an areawide comprehensive planning agency as to the relationship of the proposed project to the planned development of the area.

However, Title IV of the Intergovernmental Cooperation Act is the broad policy base on which A-95 rests. It is fundamentally a statement of national policy which asserts the cooperative, intergovernmental nature of Federalism and directs the close coordination of Federal and federally assisted plans and programs for the development of the nation's physical, natural, economic, and human resources with State, areawide, and local plans and programs.

Title IV directs the President to "establish rules and regulations governing the formulation, evaluation, and review of Federal programs and projects having a significant impact on area and community development." The basic objectives of this mandate center about the importance of sound and orderly development of urban and rural areas for the economic and social development of the nation. Section 401(b) of the Act requires that "all viewpoints -- national, State, regional, and local -- shall, to the extent possible, be taken into account in planning Federal or federally assisted development programs and projects." Section 401(c) states, moreover, that "to the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of State, regional and local comprehensive planning."

The following paragraphs are aimed at further elaborating the regulations promulgated by Circular No. A-95.

THE APPROACH

1. Philosophy

The "philosophy" that lies behind A-95 is based on the following views.

The statutes themselves represent a response to the need for coordination of planning and development activities within and among Federal, State, and local levels of government, at each of which there may be structural obstacles to such coordination.

- At the Federal level, there is a myriad of programs of assistance to State and local government that were developed piecemeal and, taken as a whole, are not coherent as to policy and administration. They are often duplicative and sometimes even in conflict with each other;
- At the State level, Governors' abilities to manage are not only often circumscribed by State Constitutions but administratively frustrated, with respect to Federal programs, by functional bureaucracies;

- Local government is heavily fragmented both within and among jurisdictions; and
- Within individual jurisdictions many federally assisted programs and projects cannot be planned without reference to programs and projects within other functional or jurisdictional areas.

A-95 is an instrument for facilitating the needed coordination without encroaching on the constitutional domain of the States or the statutory responsibilities of Federal program administrators.

2. Basic Premises

A-95 is based on the following premises:

- Fundamental to coordination is communication; therefore,
- If people who should be talking to each other are put in a position of having to talk to each other, then
- They may come to identify and understand their communities of interest and areas of conflict; and, if they do, then
- They may cooperate in pursuit of their common interests and try to negotiate their differences;
- To the extent that they do, federally assisted programs and projects are more likely to be better coordinated, resulting in dollar savings, better projects and more value for public investment.

In short, A-95 cannot assure coordination, but it is designed to create a climate for intergovernmental cooperation in which coordination is more likely to come about.

3. Basic Objectives

It is the aim of OMB to be very clear about the objectives of A-95, but to refrain, to the greatest practicable degree, from being prescriptive about the means by which those objectives are to be achieved. The requirements of A-95 apply almost entirely to Federal agencies (and under their rules to applicants for Federal assistance). That is, A-95 sets forth procedures under which Federal agencies and applicants for Federal assistance must give State and local governments, through State and areawide clearinghouses, an opportunity to assess the relationship of their proposals to State, areawide, and local plans and programs. Federal agencies are to consider these assessments in the light of the mandates of Title IV in deciding whether or not to proceed with the proposed project.

However, recognizing the wide diversity among States, regions, and localities in the manner in which the public business is conducted, A-95 puts few constraints on clearinghouses in the way they manage the review process. They are limited as to the time allowed for reviews, and they are obligated to identify jurisdictions and agencies whose plans or programs might be affected by a proposed project and give them a chance to participate in the review process. However, A-95 does not prescribe:

- The existence of clearinghouses as such;
- The organization of clearinghouses;
- The procedures or techniques by which clearinghouses manage the review process; or
- Whether or not clearinghouses even carry out reviews for particular projects or types of projects under programs covered by the Circular.

In short, A-95 is designed to provide an opportunity for Governors, mayors, county elected officials, and other State and local officials, through clearinghouses, to influence Federal decisions on proposed projects that may affect their own plans and programs.

It should be stressed, however, that clearinghouse recommendations on Federal or federally assisted development proposals are advisory only. An endorsement of a proposal will not assure positive action by the Federal agency, nor will negative recommendations constitute a veto over a proposal.

THE 1976 AMENDMENTS TO OMB CIRCULAR NO. A-95

During 1974, the General Accounting Office undertook a review of Parts I and II of the Circular to ascertain how it was working and how it might be improved. While the GAO report proceeded from the assumption that A-95 is a valuable and productive instrument for improving the management of Federal domestic programs, it concluded that achievement of its full potential depended upon:

- Broadening of program coverage under Part I;
- Clarification of various elements of requirements under Part I;
- Greater guidance to Federal agencies under Part II;
- More rigorous implementation on the part of OMB and the Federal agencies.

Most of the changes in the 1976 revision were made in Parts I and II, and in substantial measure they reflect GAO recommendations.

1. Program Coverage

Originally, GAO had recommended that Part I cover all Federal domestic assistance programs, but OMB pointed out that many appeared to fall outside the scope and objectives of the laws on which A-95 is based: direct assistance to individuals, scientific end technological research, etc. Therefore, GAO modified its recommendation to suggest coverage of all programs having an impact on area or community development. The 1976 revision expands coverage to comprise virtually all programs having an identifiable impact on area or community development.

However, because of apparent widespread confusion over criteria for including or excluding programs under Part I, a new paragraph 8 was added to Part I in an attempt to mitigate this confusion. Paragraph 8.a. sets forth the primary concerns and objectives of A-95 and the laws on which it is based. These center on federally assisted development having an impact on State, areawide, and local development. A-95 is concerned with achieving the most effective and efficient utilization of Federal assistance resources through coordination and the elimination of conflict and duplication.

Paragraph 8.b. sets forth eight types of programs that are not considered appropriate for coverage under A-95. They are considered inappropriate, because project impacts on State, areawide, or local development are only discernible in the aggregate (e.g., grants or loans to individuals for personal or family betterment), indirectly (e.g., technological research leading to the discovery of a new chemical compound to drive automobile engines), or after the fact (e.g., grants to a school district to improve student reading capability). In sum, they are the types of programs where the evaluative capability of clearinghouses and their associated agencies could not, generally, be effectively used.

Paragraph 8.c. sets forth criteria upon which exceptions from review requirements might be made for certain categories of projects under programs that are covered. They are, for the most part, based on the excluded program types identified in paragraph 8.b.

Paragraph 8.d. provides for procedural variations that are needed in certain situations where it would be difficult to follow the normal requirements, particularly the time allowed for review. This most frequently arises in the case of a new program where statutory mandates set deadlines for start-up. The administering agency will require time to develop procedures for applicants to follow, as well as for internal agency program management. Thus, little time remains for the normal A-95 review (see Exhibits 1 and 2). The variation granted in such cases is either a shortening of the review time or simultaneous submission of the application to the funding agency and to the clearinghouses. Clearinghouse comments are then sent directly to the funding agency.

In the past, some agencies have requested procedural variations when Congress has delayed appropriations for a program. This is not normally considered a valid reason for a variation. Applicants will, generally, have been preparing applications so that they will be ready for submittal to the Federal agency when funds are made available. Thus, there is no reason that the prospective applicants cannot be consulting clearinghouses during this waiting period.

2. Clarifications

In the 1976 revision, OMB has attempted to elaborate on such of the procedures -- particularly the timing of reviews under Part I -- about which there has been some confusion. A number of things that were more or less implicit in the previous Circular were made explicit. For instance, it had always been the obligation of a clearinghouse to give a mayor opportunity to make an independent review of all proposed projects in his jurisdiction, should he so request. A new provision of paragraph 3.b. makes this clear.

Further clarifications are achieved by incorporating this handbook, "A-95: What It Is -- How It Works," by reference in the main body of the Circular (paragraph 4). Similarly, "A-95 Administrative Notes" are incorporated in paragraph 5. The administrative notes are a device for advising clearinghouses and others of OMB interpretations or answers to new questions that have arisen about the Circular or of temporary exceptions or procedural variations that have been granted.

3. Improved Implementation

During 1974, OMB took a most significant action to improve the administration of A-95 requirements by delegating responsibility for day-to-day operational oversight of the Circular to the Federal Regional Councils. OMB retained responsibility for policy oversight and development.

The delegation provided that the FRCs would provide implementation oversight at least at the level that had been provided by OMB. This involved, in very substantial measure, responding to formal complaints and inquiries for information on the Circular. However, OMB encouraged the FRCs, insofar as their own priorities and resources permitted, to go beyond this. Training of Federal field personnel in A-95 requirements, development of informational materials, establishment of liaison arrangements with clearinghouses, studies of A-95 implementation among the agencies and at the clearinghouse level were encouraged. Moreover, although OMB retained policy control, it was made very clear to the FRCs that OMB expected them to be a primary source of policy input, both in terms of recommendations for policy initiatives and as consultants to OMB on policy development.

The FRCs have all gone beyond the basic charge to be responsive to complaints and inquiries. Most have undertaken studies of individual agency compliance and clearinghouse operations, have conducted training seminars or similar efforts to increase Federal field personnel understanding of the requirements, and have established liaison with State and areawide clearinghouses.

Feedback from clearinghouses in most parts of the country indicates a higher level of Federal responsiveness to A-95 requirements.

Another action designed to improve implementation of the A-95 requirements is the amendment to the Circular requiring that all Federal agencies having programs affected by the requirements publish their implementing regulations and procedures in the Federal Register. Publication is intended to secure a greater consistency among such regulations and to increase awareness and understanding of the requirements by Federal personnel administering the programs affected by A-95, by potential applicants, and by the clearinghouses.

Other amendments to the Circular will be touched on at appropriate places in the following discussion of the various requirements under the several Parts of Attachment A.

PART I: PROJECT NOTIFICATION AND REVIEW SYSTEM

1. The Process in Brief

The Project Notification and Review System (PNRS) may be thought of as an "early warning system" to facilitate coordination of federally assisted projects with State, regional, area and local plans and programs. Coordination is sought through review by State and local governments of applications for Federal assistance. The medium through which State and local governments and agencies are provided with opportunity to make such reviews are State and areawide "clearinghouses" which are generally comprehensive planning agencies.

The PNRS is referred to as an "early warning system" as it is a two-step process, the first of which signals clearinghouses that an application is in preparation. When an applicant-to-be decides to seek Federal assistance for a project, he sends a "notification of intent" (NOI) to the State and the areawide clearinghouses, which provides them with a summary description of the proposed project. More detailed NOI procedures are often prescribed by the clearinghouses within limits set by the Circular.

The idea at this stage is to identify potential issues or problems so that the applicant will be saved the trouble and expense of completing an application for a project having serious problems. Their early disclosure may permit changes which will win clearinghouse endorsement of the completed application.

The clearinghouse, then, will examine the NOI to determine if there are actual or potential problems with the project in relation to State or areawide plans or programs. It will also try to identify any individual agencies or jurisdictions having plans or programs that might be affected by the proposed project. The clearinghouse will assure that they receive a copy of the NOI or otherwise have an opportunity to evaluate the proposal.

Within 30 days of receiving the NOI, the clearinghouse must indicate to the applicant whether or not there are any issues raised by the proposal. If there are, arrangements are made for negotiating their resolution. If there are none, the clearinghouse may "sign off." If that is the case (with respect to both State and areawide clearinghouses), the applicant has fulfilled his obligations and is free to submit his application to the funding agency at such time as he has completed it. If a clearinghouse requests it, an information copy is sent to the clearinghouse.

Where an applicant has received no word, acknowledgment, or response to an NOI from a clearinghouse within 30 days, it may assume that the clearinghouse will have no comments and may proceed accordingly. Therefore, clearinghouses are advised to acknowledge the NOI and indicate potential interest.

The second stage of the review process involves a review of the completed application, if issues and problems identified by the clearinghouse have not been resolved. Clearinghouses may have 30 days to review the completed application and supply any comments they may have to the applicant. All comments submitted by clearinghouses become part of the application and must accompany it when it is sent to the funding agency. The funding agency will utilize such comments in evaluating the application.

In many cases, preparation of an application is very simple and can be accomplished in little time. In such cases, preparation of an NOI may be superfluous, and it will be simpler to submit the completed application to the clearinghouses. In such cases, or in any case where no NOI has been submitted, clearinghouses may have 60 days to review the application. However, in most cases, particularly where physical development projects are involved, application preparation may take several months or more (and will generally involve substantial expense). In such cases, submission of an NOI will serve to expose any problems which can be resolved during the application preparation process, so that when it is completed, its submission need not be delayed an extra 30 days. Even where issues have not been resolved, delay is minimized, because the position of the clearinghouse is established, and comments can be prepared and transmitted to the applicant expeditiously.

The whole idea of the two-stage review process is to avoid red tape and delay. It should be viewed by clearinghouses (and by applicants) as a service to clientele governments and other applicants to enable them to develop the best possible project to meet their needs without doing damage to the plans and programs of others. Many clearinghouses have developed quick screening procedures so they can use their review resources on projects most likely to have major community or intergovernmental impact. Most reviews are concluded during the early warning stage.

It should be noted that clearinghouses themselves are usually also applicants for assistance under various programs and are, therefore, subject to the requirements of Part I. In the case of State clearinghouses, other State agencies as well as areawide clearinghouses may have comments on the proposed project or activities for which assistance is being sought. Similarly, in the case of areawide clearinghouse applicants, individual local jurisdictions or the State clearinghouse may wish to comment.

2. Clearinghouses

a. Organization and Designation Criteria. There are two types of clearinghouses: State and areawide. State clearinghouses are designated by the Governor and are usually, but not always, State comprehensive planning agencies. In some cases, they are State budget or administrative offices. Areawide clearinghouses are almost always comprehensive planning agencies, covering one or more counties. Most of them are organizations of units of general local governments comprised in the area, that is "Councils of Governments" (COGs).

The Office of Management and Budget normally designates areawide clearinghouses covering metropolitan areas, based on its authority under Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. However, it is OMB policy to seek the concurrence of the Governor before making or changing such a designation. This is because Part IV of A-95 encourages Governors to develop Statewide systems of planning districts and requires Federal agencies assisting multijurisdictional planning to conform to them, unless there is clear justification not to.

This has led to some anomolies. Within States, some Governors have designated planning districts larger than, but encompassing metropolitan clearinghouse jurisdictions. The Governors then sometimes designate the larger district planning organization, pursuant to their authority under A-95, as a clearinghouse, while requesting that the metropolitan clearinghouse retain its own designation. Thus, applicants in the metropolitan counties must submit their applications to two areawide clearinghouses (as well as to the State clearinghouse), unless the two areawide clearinghouses have worked out arrangements for a single point of entry into the review system. In many cases, however, the metropolitan clearinghouse has merged with the larger area organization or simply has expanded its jurisdiction.

A rather worse anomaly exists in the case of interstate metropolitan areas. Here, in many instances, a metropolitan area clearinghouse designated by OMB may straddle State borders and have its parts on either side encompassed in larger substate districts designated by the Governors of each State. This tends to fragment areawide planning for a variety of functions which should be planned on the basis of a whole urbanized area. This has been particularly prevalent in the fields of law enforcement and health planning.

However, OMB has taken a strong policy position respecting the designation of clearinghouses in interstate metropolitan areas. It has been the OMB position that, at a minimum, the jurisdiction of such clearinghouses should include the whole of the urbanized portion of a Standard Metropolitan Statistical Area (SMSA). Further, within States, where urbanized areas cross SMSA lines, OMB has taken the position that the clearinghouse jurisdictions also should comprise the whole of the contiguous urbanized area. This is the reason that many clearinghouse jurisdictions will extend into or comprise two or more SMSAs. In administering the "701" comprehensive planning program, HUD also has held to this policy.

There is no doubt that overlapping planning areas, particularly in interstate areas, work a hardship on the local jurisdictions in such areas. Not only are they subject to more complications in the A-95 review process, but often they must contribute to the support of multiple planning organizations, many of them engaging in the same type of activities. Part IV of A-95 is designed to mitigate the adverse effects of these anomalies, but the diversity of Federal planning requirements, statutory and administrative, (particularly as they apply to jurisdiction and representation) and a residuum of State and local parochialism in many places militate against well coordinated planning at the areawide level.

Nevertheless, in spite of these impediments, the movement to establish substate clearinghouses and State systems of planning areas has moved steadily forward since the issuance of the Circular in 1969. Over forty States have established substate district systems, although not all are truly viable. At the same time, there are nearly 540 areawide clearinghouses with 28 States completely blanketed.

OMB has established no formal criteria for the designation of clearinghouses in metropolitan areas. However, Section 204 of the Demonstration Cities and Metropolitan Development Act indicates, in view of their functions, that areawide review agencies ("clearinghouse" is an OMB term, coined for A-95 purposes) will be comprehensive planning agencies, composed to the greatest practicable extent of elected officials of the units of general local government comprised in the area. The Act also describes them as areawide, which OMB has taken to mean that they must cover, as noted above, the whole of the urbanized area in an SMSA or extending into more than one SMSA.

OMB does not set a membership criterion. That is, it does not insist that any number of jurisdictions must belong to the clearinghouse nor that the membership comprise any minimum percentage of the population of the area. In metropolitan areas where there is no comprehensive planning agency, OMB will ask the Governor to designate the State clearinghouse on an interim basis to assure that the A-95 process is carried out until the local governments of the area organize their own comprehensive planning agency which OMB can then designate.

From time to time, one or more local jurisdictions will withdraw from a clearinghouse and request OMB to designate them as a clearinghouse or withdraw designation from the existing clearinghouse organization. The first alternative has always been found unacceptable to OMB for one or more of several reasons:

- The withdrawing jurisdiction(s) did not comprise the whole of the urbanized area;
- It (or they) was not organized to carry out comprehensive planning;
- In the case of county withdrawals, the municipalities were not in accord.

In the case of the latter alternative, de-designation of the existing clearinghouse, it has been OMB's position that one or more of the larger jurisdictions should not be able to hold clearinghouse status hostage to their own individual satisfaction. Of course, if most of the members of a clearinghouse organization were to defect, it would no longer be viable as a comprehensive, areawide planning body and might, indeed, become defunct. In such case, OMB would ask the Governor's assistance, as though there were no designatable clearinghouse.

All non-metropolitan clearinghouse jurisdictions, of course, are designated by the Governor. Such designation will depend on criteria he has established. In most cases, a primary criterion is comprehensive planning capability or demonstrable effort to establish such capability.

b. The Notification of Intent (NOI). Timing is of the essence for the NOI. It is the heart of the "early warning" feature of PNRS that can set the stage for issue identification, negotiation, and resolution. Properly followed, it will serve to prevent delay in submitting the application once it is prepared. Therefore, it is critical that the NOI be sent to the clearinghouses at the very earliest time after the applicant has made the decision to seek Federal assistance and can provide summary descriptive information about the project that will permit the clearinghouse to inaugurate the review process.

It may well be that the full level of project detail necessary for clearinghouses to complete an evaluation may not be available at the time the NOI is submitted. However, to the extent that the clearinghouses need more information, it should be supplied as the application is developed. In this connection, however, a cautionary word is in order. The applicant is not required to provide more information than is requested of him in his application by the funding agency. Of course, if such additional information is readily at hand, the applicant is urged to supply it to the clearinghouse desiring it. However, it would be unreasonable to expect the applicant to spend resources in developing information that is not required of him by the agency from which he is seeking assistance.

The Federal Government prescribes no specific format for the NOI. However, many clearinghouses have developed their own NOI forms, and the applicant is well advised to ascertain whether the clearinghouses to which he must provide an NOI have developed such forms. In late 1975, the Federal Government issued a standard application facesheet, Standard Form 424, that must accompany applications for grants-in-aid from State and local government.

SF 424 supplies summary information about the project, assurances that the appropriate clearinghouses have been given a chance to comment, and information from the Federal agency about action taken on the application. These several parts of the form are filled out successively by the applicant and the Federal agency. Copies are then sent to clearinghouses by funding agencies, when they have taken action on the application and completed the form. SF 424 may also be used, at the option of clearinghouses, as the NOI. There is indication that many will exercise that option. Its use as an NOI may facilitate attempts by clearinghouses to track action on an application from the time they receive the NOI through final action on the application.

Several variations on the NOI are identified in paragraph 2 of Part I:

- NOIs for projects which may have Statewide impact, but for which specific local effects are not clear, need be sent only to the State clearinghouse. An example might be an application from an academic institution to develop criteria for selecting historic landmarks within the State. If the State clearinghouse identifies the need to involve areawide clearinghouses in the review, it may do so.

- NOIs for projects affecting land and water use and development or construction in the National Capital Region (the District of Columbia, Prince Georges and Montgomery Counties, Maryland; and Arlington, Fairfax, Prince William, and Loudon Counties and the City of Alexandria, Virginia) must send their NOIs not only to the appropriate State and areawide clearinghouses, but to the National Capital Planning

Commission (NCPC). NCPC is the Federal agency responsible for developing plans for the Federal establishment in the region. State and local development plans in the region can have substantial impact on the functioning of the Federal Government in the area. Of course, Federal agencies undertaking development in the National Capital Region are required to consult with clearinghouses on their proposed projects, pursuant to Part II.

- Federally recognized Indian tribes are not required to send NOIs or applications to clearinghouses for review. This is because of certain treaty rights which give the tribes a unique status vis-a-vis the Federal Government in most of their dealings with it, not requiring them to "go through" State and local governments. However, Federal agencies are required to inform State and areawide clearinghouses of any applications received from tribes. Thus, if any problems of adverse impact are discerned, the clearinghouse can take it up with the tribe or register its concern with the Federal agency.

Tribes are urged to participate in the review process voluntarily as there are substantial benefits to be derived therefrom. These might include technical assistance in planning better or more economical tribal projects. Participation would also involve receiving timely information about non-tribal projects that might affect tribal interests or holdings.

Some of the tribes have extensive holdings and a variety of organizations or entities which might qualify for Federal assistance. Consequently, such a tribe may have internal problems of coordination. In some cases, a tribe may establish a formal coordinating mechanism, and on request to the Office of Management and Budget, may have that mechanism treated as though it were a clearinghouse. That is, applications from tribal entities or organizations would have to be submitted to the tribal coordinating mechanism for review and comment.

Where a tribal unit has incorporated under the laws of a State to carry out some function (e.g., housing development), applications for Federal assistance from such corporation are subject to the requirements of A-95. Similarly, applications from tribes for development of non-reservation lands are subject to those requirements. The reasoning is that by incorporating under State law or by operating off of tribal lands, a tribe is subject to State and/or local law governing those activities, and therefore also subject to A-95 requirements.

3. Clearinghouse Functions

a. General Role. The term, "clearinghouse," was chosen deliberately to reflect in full the functions of the A-95 review agencies.

Of course, the primary function of the clearinghouse is to examine the proposed project for its Statewide or areawide impacts and its relationship to State or areawide comprehensive plans or policies.

The clearinghouse function comes into play as the review agencies provide an opportunity for State agencies or individual local jurisdictions or agencies to examine the proposed project against the finer grain of their own plans and programs. That is, the clearinghouses will send copies of NOIs to State agencies or to individual local jurisdictions and agencies which might be affected so that they might make individual assessments of the project. In this connection, as noted earlier, the Circular provides that local chief executives may request areawide clearinghouses to send copies of all NOIs for projects that may be proposed within their jurisdictions so that they may coordinate internal reviews by municipal or county agencies.

State clearinghouses tend to serve primarily as clearinghouses rather than to perform their own reviews. This may be because some are not planning agencies at all, and in various States, the art and practice of State comprehensive planning may not be well developed. Areawide clearinghouses, on the other hand, give a much more pronounced emphasis to performing their own substantive reviews, as well as serving as clearinghouses to solicit the views of others. There are, of course, exceptions to this general observation.

b. Obligatory Referrals. Clearinghouses have three obligatory referrals (in addition to local chief executives who request them). These are:

- To State and local environmental agencies for projects which may require an environmental impact statement (EIS). This is primarily so that such agencies may point out to the applicant potential environmental considerations that will have to be dealt with in the development of the EIS. They may also provide substantive information that will be useful in EIS development. Of course, these environmental agencies may also play a useful role in reviewing the adequacy of the EIS after it is drafted.

- To State and local civil rights agencies. Such agencies include not only those charged with enforcement of State and local civil rights laws, but advisory agencies such as human relations commissions which have an interest in the promotion of civil rights and anti-discrimination.
- Coastal zone management agencies. These are State designated agencies which develop coastal zone management plans under the Coastal Zone Management Act of 1972. Under the Act, when such plans are approved by the Secretary of Commerce, they provide a regulatory constraint on Federal or federally assisted activities affecting the coastal zone.

c. Involvement of Nongovernmental Entities. While the PNRS requires that clearinghouses involve only State and local governmental agencies in the review process, OMB encourages them to invite the participation of nongovernmental organizations as well. The limitation on obligatory involvement of nongovernmental entities is due to the intergovernmental objectives of Title IV of the Intergovernmental Cooperation Act. Also, from a practical standpoint, clearinghouses cannot be expected to be aware of all the myriad citizen groups in an area or a State which might have an interest in the project.

At the same time, private sector involvement in the review process can be very beneficial. Relationships established with State and local agencies as well as with citizen groups and other interest groups through conscientious application of the "clearinghouse" aspect of the PNRS can enhance the status of the clearinghouse as a focal point for planning coordination and can lend popular and private sector support to clearinghouse activities. In addition, the expertise that can be provided by these agencies and organizations represents a useful supplement to the clearinghouses' own review resources and capabilities.

A special note should be made here of what are often termed "paragovernmental organizations." These are generally not-for-profit organizations which carry out governmental functions. Examples are Community Action Agencies, Councils of Government, Economic Development District organizations, etc. In many cases, of course, these agencies are governmental units established under State law. In either event, it is OMB policy to consider them as governmental units, even when they are paragovernmental. Therefore, clearinghouses (some of which are themselves paragovernmental organizations) should refer NOIs to them for comment, where appropriate.

d. Preference for General Purpose Units of Local Government. Both section 204 of the Demonstration Cities and Metropolitan Development Act and Title IV of the Intergovernmental Cooperation Act state a strong preference for the award of Federal assistance to units of general purpose government over special purpose units when both are competing for assistance to perform the same function. This preference is based on the perception that special purpose units are usually governed by citizens appointed by the State or by local government, who once appointed are often not directly accountable either to those who appointed them or to the electorate for their performance in office. Also, special purpose units contribute heavily to the fragmentation of local government and serve to complicate local fiscal structures. While many special purpose units are well adapted to carry out their functions and, indeed, carry them out quite effectively, they do constitute another layer of government that is not always amenable to electoral control.

This statutory preference for general purpose units accounts for the provision that clearinghouses assure that such units have an opportunity to comment on any application for assistance by a special purpose unit in their jurisdiction.

e. Coordination Among Adjacent Clearinghouses. There are nearly 540 areawide clearinghouses, covering over three-quarters of the land area of the "South 48." They include well over 90 percent of the total population. Twenty-eight States are completely blanketed by areawide clearinghouses. While the areawides may serve to diminish the spillover impacts among local government activities in their jurisdictions, there will still be spillover effects from one clearinghouse jurisdiction to another. Therefore, it is important that arrangements be developed between contiguous clearinghouses for coordinating reviews of projects the impact of which may extend beyond clearinghouse boundaries.

Such coordination agreements are even more critical in those instances, described earlier, where clearinghouse jurisdictions overlap, particularly in interstate metropolitan areas.

4. Consultation and Review

a. Timing. Paragraph 4 of Part I sets forth the timing of the review process as described earlier in this booklet and in Exhibits 1 and 2. Many people find the two-stage review concept difficult to grasp. One way to look at it is as a 60-day process, composed of two 30-day periods which may be separated in time. Whether or not the two 30-day periods are separated depends on how long it takes to complete the application. Obviously, if it takes 90 days to complete an application, and an NOI has been filed at the beginning of application preparation, and the clearinghouse requires a full 30 days to review the completed application, then the full process would take 120 days:

- Thirty-day NOI period, during which the clearinghouse may identify any issues and bring them to the attention of the applicant. During this period the applicant may have commenced the development of his application;

- Sixty additional days the applicant need to complete his application (during which he is trying to negotiate out any identified issues); and

- Thirty days after the clearinghouse receives the completed application, analyzes it, and prepares comments for submission to the applicant.

On the other hand, as noted above, if the applicant requires only a day or two to complete an application after he has decided to apply, an NOI is superfluous. He can submit the completed application to the clearinghouse which will then have 60 days to complete its review.

Of particular additional note in paragraph 4 of Part I are the following provisions.

b. Inclusion of Other Comments. In addition to their own comments, areawide clearinghouses are required to transmit to applicants any written comments submitted to them by individual jurisdictions, agencies, or nongovernmental organizations, which are at variance with the comments of the clearinghouse. "At variance" is meant to include views that are opposed to the official clearinghouse views, in whole or in part; or views that, while not necessarily opposed to clearinghouse views, are different, proceeding from other perspectives or based on other information.

The reason for including variant views is twofold:

- To assure that the funding agency gets the full range of local views on any project; and

- To encourage serious participation of local jurisdictions and organizations in the review process by assuring them that their views will receive the consideration of the funding agency in its evaluation of the proposal.

This requirement does not apply to State clearinghouses. This is because the State clearinghouse is considered to be the spokesman for the Governor. Thus, the views of individual State agencies may be included or excluded, depending upon whether or not they are in accord with the policies and programs of the Governor. To the extent that the State clearinghouse does not articulate any views of its own but simply forwards the views of individual State agencies -- which may be variable -- they are considered to be simply that: the views of those individual agencies, which may or may not represent gubernatorial policy.

This is not to say that they will not receive full consideration by the Federal agency. However, the agency is not required to explain its action, if it funds a project over the objections of an individual State agency as it would if the clearinghouse, speaking for the Governor, voiced opposition to the project. Similarly, at the areawide level, the funding agency is not required to explain its action in approving a project to which an individual jurisdiction objected, although the clearinghouse had endorsed the project. Of course, a prudent program administrator might find it most proper, consonant with good management and intergovernmental relations principles, to explain his action to a local chief executive or to any commentator who provided him with a well-documented objection.

c. Privileged Information. Under certain programs, particularly those providing assistance to quasi-public or private organizations or individuals, the applicant is required to provide the funding agency with information about the financial status of the organization or about specific individuals who will be involved in the management of the project. Or he might have to provide proprietary information that might be of considerable use to competitor organizations or individuals. Such information need not be provided to the clearinghouse as part of the review package.

The reasons for this are severalfold:

- Privileged information is generally of the type that could be used by others to the disadvantage of the applicant.
- The primary function of the clearinghouse is -- or should be -- analysis of the substantive aspects of the proposed project for its potential impact on the community. Presumably, the funding agency requires privileged information of this type to assure itself that the applicant is equipped to carry out the project in which Federal monies are being invested.

However, such privileged information usually does not apply to the project itself. It would not include, for instance, information about the proposed project budget, staffing patterns, salary schedules, or the like. In case of any doubt, appropriate counsel should be sought.

d. Renewals and Continuation Grants. The wording of paragraph 4.g. has caused some confusion. It were better restated as follows:

> "Applications for annual renewal or continuation grants are subject to review upon request of the clearinghouse; and applications not submitted to or acted upon by the funding agency within one year after completion of the clearinghouse review are subject to re-review upon the request of the clearinghouse."

There is also some confusion as to what constitutes a renewal or continuation grant. The answer hinges on whether the application includes new substantive activities or substantive changes in activities originally proposed. Examples of applications not subject to the whole process would include:

- Applications for funds for the second year of a two-year project, the original application for which identified all of the activities to be undertaken over the two-year period, and which involve no substantive change; or
- Applications for extension of time or additional funds necessary to complete a project that involve no substantive change.

By "substantive" we mean new or changed activities that may alter the direction, nature, scope, location or scale of the project or activity being supported or which might involve changes in the beneficiary population or target group being served. It does not involve purely administrative changes: accounting, auditing, personnel, contracting, etc., that deal with project management.

Under some programs, the same organization is funded from year-to-year to carry out the same type of activity. However, the specific activities undertaken will vary from year to year. For example, HUD funds comprehensive planning agencies on an annual basis. The application contains a generalized multi-year work program and a detailed work program for the current year. The contents of the annual detailed work programs change in content and specificity. Therefore, this type of application cannot be considered as application for a continuation or extension grant and must go through the normal A-95 review.

Clearinghouses may want to review renewal or continuation grants even though the substance of the activity carried on remains unchanged, when they have reason to think that the circumstances have changed, so that the program carried out under the project should be altered to fit the new circumstances.

5. Subject Matter of Comments and Recommendations

Paragraph 5 indicates some of the aspects of project proposals to which clearinghouses may want to address their comments. Most of these are taken verbatim from Title IV of the Intergovernmental Cooperation Act and Section 102(2)(C) of the National Environmental Quality Act.

However, the list of items or considerations under Paragraph 5 are suggestions only. The clearinghouse need not address each question, nor is it constrained by Paragraph 5 from discussing any aspect of a proposal, whether or not listed. And, of course, as noted above, the clearinghouse need not comment at all on any given proposal. In fact, clearinghouses should try to develop a screening process to weed out projects with no areawide or interjurisdictional spillover, so that they may devote their review resources to projects with potential intergovernmental impact. However, individual mayors or county boards of supervisors may wish to look at all projects proposed in their jurisdictions. When such requests are made of clearinghouses by individual jurisdictions, the clearinghouses will assure them such opportunity and make sure their comments are transmitted to the applicant.

As noted, the listing of appropriate matters to consider in evaluating a proposed project is by no means exhaustive. There are other considerations that may be taken into account. For instance:

- The National Historic Preservation Act of 1966 (16 U.S.C. 470) and Executive Order 11593, "Protection and Enhancement of the Cultural Environment" (16 U.S.C. 470), as implemented by the Advisory Council on Historic Preservation in 36 C.F.R. Part 800, establish a mandatory review process for Federal, federally assisted, and federally licensed undertakings affecting certain historic properties. The historic preservation review requires the identification of properties within the potential impact area of a project that are included in or eligible for inclusion in the National Register of Historic Places, maintained by the National Park Service, Department of the Interior. When there is an effect on such a property, the Advisory Council on Historic Preservation must be afforded an opportunity to comment. Projects or activities that have potential for affecting historic, architectural, archeological, or cultural properties should be submitted by clearinghouses to the State Historic Preservation Officer. This will alert the applicant to potential problems involving historic resources and provide an opportunity to initiate early compliance with the independent review requirements of the National Historic Preservation Act and Executive Order 11593.

- The clearinghouse may want to comment on the question of whether the private sector is better equipped to carry out the project in question. There has been a growing interest in the potential for savings by contracting for services rather than their direct provision by the locality. There has been experimentation in such diverse areas as education and trash collection with this consideration in mind.
- The Flood Disaster Protection Act of 1973 (P.L. 92-234) is a program of flood insurance administered by HUD, which is designed to discourage inappropriate development in flood prone areas and to mitigate the impact of flood disasters. Therefore, clearinghouses may want to assess the extent to which a proposed project may affect or be affected by flood hazards.

6. Federal Agency Procedures

Paragraph 6 has been strengthened in several ways. The first is by giving more explicit direction to funding agencies with respect to applications that are submitted without evidence that they have fulfilled A-95 requirements. Agencies are directed to return applications that do not carry such evidence to the applicant with directions to fulfill the requirements. The evidence can consist of two things: either attached comments from the clearinghouses or a certification by the applicant that he has provided either or both clearinghouses with the appropriate opportunity to review his application and has received no comments.

It should be noted that comments from one clearinghouse only is insufficient evidence. State clearinghouse comments are not a substitute for areawide clearinghouse comments -- nor *vice versa*. Comments from both must be included with the application -- or, if one or the other has not responded, a certification to that effect. If, as in some States, there is an arrangement between the State and areawide clearinghouses that one or the other serves as the single point for submitting applications for review and for tendering comments of both back to the applicant, that feature should be noted. However, in such cases, whichever is the clearinghouse to which applications are submitted should state that one or the other has no comments, if such is the case.

Clearinghouses must be notified of any action taken on an application within seven working days after such action has been taken. SF 424 is normally used (unless waived by OMB) for providing such information. That form carries information, certified by the applicant, about which clearinghouses the application has been submitted to and a certification that all comments have been attached to the application (or that none have been received). This further reinforces the requirement noted above that applications not carrying evidence of A-95 review be returned to the applicant.

Where funding agencies approve an application contrary to the recommendation of a clearinghouse, they are required to explain in writing to the clearinghouse why its recommendation was not accepted. Such an explanation should accompany the action notification on SF 424.

A new element in paragraph 6 is a requirement to the effect that, where a clearinghouse has pointed out that a proposed project may conflict with or duplicate an activity funded by another Federal agency, the funding agency must consult with that agency prior to approving the proposed project. There is, unfortunately, ample opportunity for conflict or duplication to occur -- for instance, HEW, DOL, CSA, and ACTION all administer programs designed specifically to assist the elderly.

7. Housing Programs

Paragraph 7 describes the specialized review process devised to cover Federal housing assistance programs of HUD, USDA, and VA. The review process is shortened for these programs, and the formal relationship is between the Federal agency and the clearinghouses rather than between applicant and clearinghouses. A minimum size is set for housing projects subject to review, and the requirement applies only to new construction or substantial rehabilitation, but it does cover loans, loan guarantees, mortgage insurance or other housing assistance.

a. Review Process. Basically, the process works like this: a developer will submit an application to the Federal agency, that is preliminary in nature, the purpose of which is to establish the feasibility and/or eligibility of the proposed project for the type of assistance sought. The application contains a description of the project, detailed enough for evaluation purposes but lacking detailed construction plans. The Federal agency will send copies to the clearinghouses, which have 30 days (plus four days mailing time) to review it and to submit any comments back to the agency. The 30-day period is a floor, and agencies will generally accept comments until the time (beyond 30 days) when their own evaluation is complete.

Some HUD offices have urged or even required developers to contact the clearinghouses before submitting applications to HUD. This enables the developer to acquaint himself with the review process, and in the case of any particular project, to identify any potential difficulties that could cause delay or even rejection of the project. A new amendment to this paragraph provides an alternative to the prescribed process that follows this approach. That is, the developer may request a review of his project before applying to HUD, USDA or VA. The extent to which this approach is used and associated procedures should be worked out between the regional offices of the Federal agencies and the clearinghouses in each region.

b. Size of Projects Subject to Review. The minimum size of proposed housing projects subject to review is lower in rural areas than in urban. The break point between the two types of areas is defined by the "urbanized area" concept of the Bureau of the Census. This distinction, which increases the territory where the lower minimums would prevail, is new in the 1976 revision. An urbanized area, according to the U.S. Census Bureau, is, basically, a city with a population of 50,000 or more, plus all contiguous incorporated places and areas with a population density of over 1,000 persons per square mile. Urbanized areas are delineated on maps in the U.S. Censuses of Population and of Housing (State volumes).

Minimum subdivisions in the urbanized areas are 25 lots or more, in other areas, ten. For units in multifamily projects, comparable figures are 50 and 25; for mobile home courts, 50 and 25 spaces; and for college housing, 200 and 100 students.

c. Exemption. A new provision of the 1976 revision of A-95 provides that additional units in a substantially completed subdivision are not subject to review. This is a somewhat misunderstood idea. A substantially completed subdivision is one that is partially built up and is completed with respect to water and sewer facilities, culverts, and other such facilities. It is also one which the Federal agency has not yet evaluated, because it has been built up with conventional or other financing.

What is not well understood is that these Federal agencies do not finance subdivisions, they finance houses. That is, a developer approaches HUD, for instance, to seek HUD certification that houses to be built in a subdivision will be eligible (for individual purchasers) for Federal subsidy, loans, loan guaranties, or nortgage insurance, as the case may be. Such certification will make it easier for the developer to secure financing and to sell the houses when built. HUD only evaluates the subdivision plan to assure that it meets HUD standards for subdivision development before making assistance available to home buyers.

Thus, in the case of additional units in a substantially completed subdivision, the developer has already secured all the necessary local approvals (i.e., zoning, subdivision regulations, etc.). However, now he is seeking, perhaps, HUD approval for assistance to low or moderate income homebuyers for the remainder of houses to be built in that subdivision. It must still meet HUD subdivision standards, but the evaluative contribution that clearinghouses may make is substantially diminished. It should also be remembered that HUD, USDA, and VA programs account for only a small proportion of housing construction, although banks and thrift institutions which account for most housing finance also receive Federal assistance in the form of insurance on deposits by their clientele. Thus, even if the developer is turned down by HUD, he may receive conventional financing but the additional houses he builds in the subdivision will have to be sold in a market of unassisted purchasers.

d. Content of Housing Reviews. When housing programs were first put under A-95, it was expected that the main interest of the clearinghouses would be in the information provided about the scale and direction of growth, rather than in performing substantive reviews. As it has developed, their interests are much more substantial. Reviews, for many clearinghouses, have focused on the impact of proposed housing projects on the supply of facilities and services, available and projected, for serving the new inhabitants of these developments. Many of the clearinghouses have developed checklists and canvassed area and local agencies on the adequacy, for the new development, of:

- Water and waste disposal facilities;
- Transportation;
- Schools;
- Police and fire services;
- Hospitals and health services;
- Recreational facilities and services.

Moreover, fundamental environmental questions are considered: adequacy of soils to support proposed development, flood hazards, and tree-cutting, grading and runoff problems. Similarly, economic impact analyses are made, especially of impacts on the local tax base.

8. Coverage, Exceptions, and Variations

a. Exceptions and Variations. Paragraph 8, perhaps the most significant change in the 1976 revision of A-95, has been discussed earlier in this handbook. It sets out the objectives and limitations for deciding whether a program should or should not be covered by the PNRS. It also provides criteria for exempting certain types of projects under a program that is otherwise covered. That is, if certain kinds of projects meet the criteria for exempting whole programs, it is reasonable enough to expect that project categories exhibiting the same characteristics should also be exempted from the requirement.

Paragraph 8 also provides for variations on usual review procedures. These will usually be of a temporary nature, due to the tight time requirements often associated with starting up new programs. However, with the increasing trend to block grants, it may be necessary to devise new procedural approaches that can satisfy the review requirements as well as the needs of the applicant.

In the past, OMB has granted procedural variations based on the often delayed availability of funds due to slow and erratic appropriations processes. However, it has seemed to OMB that applications do get prepared for ongoing programs during the time prior to funds becoming available. Therefore, OMB will no longer, except in unusual circumstances, grant variations (usually involving simultaneous submission of applications to funding agencies and to clearinghouses) on this basis, suggesting rather that agencies advise potential applicants to complete the A-95 review requirements pending fund availability.

b. Coverage. Not infrequently, there have been objections to including a program under PNRS on the basis that clearinghouses would not have the expertise to evaluate projects under such programs. This has been particularly true with respect to human resources programs. Certainly it is true that, at least in the past, clearinghouses have been primarily oriented to physical development. Nevertheless, even in dealing with land use, transportation, and community facilities, clearinghouses have inevitably had to deal with human resource questions. The interfaces between transportation and employment, for instance, or health and the environment has led many to develop considerable sensitivity to these relationships. Moreover, a good many of the areawide clearinghouses are also, variously, law enforcement planning agencies, comprehensive health or manpower planning agencies, as well as comprehensive land use and physical development planning agencies and consequently have developed some expertise in those areas.

However, the most important capability for a clearinghouse in undertaking review responsibility for a variety of new programs in areas in which they may have relatively little staff expertise is the ability, first, to identify the relationships between any proposed project and other functional areas; and, second, to identify the agencies in the area that can provide critical and/or expert inputs into the review. Few clearinghouses have the resources to employ all of the expertise they need to carry on the A-95 review for all programs covered, even before expansion. Inevitably, most clearinghouses have to turn to other agencies, public and private, to supply expert analysis to supplement their own.

The programs covered by the PNRS are listed in Attachment D of the Circular. They are also listed in Appendix I of the Catalog of Federal Domestic Assistance. However, the two lists do not always jibe. This is, in part, because the two lists are published at different times. Also, program references in the Catalog frequently change from one edition to the other as agencies may group formerly separate programs or, conversely, disaggregate one program listing into several. In the future, OMB will endeavor to conform any changes in forthcoming editions of the Catalog with the Attachment D listing through issuance of an Administrative Note on the subject.

A number of States have extended A-95 review requirements to a broader range of programs than listed in Attachment D. This is generally done under State law or a Governor's executive order. Therefore, applicants for assistance under those programs in such States are bound by the State law and must submit their applications for review. However. the States which have such laws are responsible for their enforcement. Applicants should ascertain the existence of such laws extending A-95 coverage to assure that their applications are not delayed.

There is some confusion as to why Circular No. A-95, Treasury Circular 1082 (formerly OMB Circular No. A-95), and Federal Management Circular 74-7 (formerly A-102) do not all cover the same programs. The basic reason is that the several circulars have quite different, although not entirely unrelated objectives.

- FMC 74-7 aims at standardization of administrative requirements for programs of grants to State and local government.
- TC 1082 has as its objective informing States of grant awards made to governmental units and agencies within the State.
- A-95 has as its objective providing State and local government with opportunity to influence the award of Federal assistance under those programs affecting State, areawide, or local development.

FMC 74-7 and TC 1082 generally cover only programs providing grants to State and local government, while A-95 includes not only grants but loans and loan guaranties and insurance programs. Many of those assisted under A-95 covered programs are not State and local governments but quasi-public and private organizations or even individuals. On the other hand, TC 1082 and FMC 74-7 cover a number of programs of grants to State and local government that paragraph 8 of A-95 would exclude from coverage because they are not germane to the objectives of A-95. Consequently, to make coverage identical might appear superficially neat, but it would result in considerable subversion of objectives and an unnecessary flow of paper.

9. Joint Funding

Under a variety of different authorities, but primarily under the Joint Funding Simplification Act of 1974 (P.L. 93-510), applications for a variety of related activities under different programs can be combined into a single application and administered, in effect, as a single project. Paragraph 9 of Part I provides that where one or more elements in a joint funding application is for activities under a program covered by Part I, the whole application is subject to the review requirements of Part I.

This new paragraph replaces reference to "Multisource Programs" under Part III of the Circular.

10. Additional Questions on Part I

a. Financial Support for A-95 Review. There is no specific financial support provided for the A-95 review process by the Federal Government. However, support is authorized in the Public Works and Economic Development Amendments of 1974, and the Economic Development Administration has provided some assistance to Economic Development Districts which are clearinghouses. Similarly, HUD has considered A-95 review an eligible work item for clearinghouses assisted by the 701 program. Further, under some conditions the costs of A-95 reviews may be considered eligible overhead costs under various planning programs carried out by clearinghouses. While OMB does not have other than impressionistic evidence, it appears that the greater share of A-95 review costs is paid for by clearinghouses with State and local funds.

A closely related question is that of fees for clearinghouse review. OMB does not feel that it can prevent clearinghouses from trying to charge applicants fees for reviewing their applications pursuant to A-95. At the same time, OMB does point out to applicants that they are under no obligation to pay a fee for such a review. The only obligation of the applicant is to give the clearinghouse an opportunity to review his application. If the clearinghouse does not take advantage of that opportunity within the allotted time, the applicant is free to submit his application to the funding agency with a statement to the effect that he has followed the requirements of A-95 and has received no comment from the clearinghouse.

Aside from this, it is the OMB view that fees are undesirable, as they are conducive to log-rolling and other practices not in keeping with the objectives of A-95. Support for A-95 reviews from whatever source preferably should not be on a per project basis, but should be generalized, so that there can be no suspicion that any individual project is endorsed because of the review payment attached to it.

b. Relationship of A-95 and Environmental Impact Statements. There has been considerable confusion as to the role of the clearinghouses in implementing Section 102(2)(C) of the National Environmental Quality Act which deals with environmental impact statements (EIS's). Section 102(2)(C) calls, in effect, for inputs into the development and evaluation of EIS's by State and local agencies authorized to develop and enforce environmental standards. The A-95 clearinghouses provide a vehicle for securing these inputs, and the review process specifically represents the means by which such inputs into the development of the EIS can be achieved.

The relationship is spelled in detail in the Council on Environmental Quality's EIS guidelines, as follows:

"1. OMB Circular No. A-95 through its system of clearinghouses provides a means for securing the views of State and local environmental agencies, which can assist in the preparation of impact statements. Under A-95, review of the proposed project in the case of federally assisted projects (Part I of A-95) generally takes place prior to the preparation of the impact statement. Therefore, comments on the environmental effects of the proposed project that are secured during this stage of the A-95 process represent inputs to the environmental impact statement.

"2. In the case of direct Federal development (Part II of A-95), Federal agencies are required to consult with clearinghouses at the earliest practicable time in the planning of the project or activity. Where such consultation occurs prior to completion of the draft impact statement, comments relating to the environmental effects of the proposed action would also represent inputs to the environmental impact statement.

"3. In either case, whatever comments are made on environmental effects of proposed Federal or federally assisted projects by clearinghouses, or by State and local environmental agencies through clearinghouses, in the course of the A-95 review should be attached to the draft impact statement when it is circulated for review. Copies of the statement should be sent to the agencies making such comments. Whether those agencies then elect to comment again on the basis of the draft impact statement is a matter to be left to the discretion of the commenting agency depending on its resources, the significance of the project, and the extent to which its earlier comments were considered in preparing the draft statement.

"4. The clearinghouses may also be used, by mutual agreement, for securing reviews of the draft environmental impact statement. However, the Federal agency may wish to deal directly with appropriate State or local agencies in the review of impact statements because the clearinghouses may be unwilling or unable to handle this phase of the process. In some cases, the Governor may have designated a specific agency, other than the clearinghouse, for securing reviews of impact statements. In any case, the clearinghouses should be sent copies of the impact statement.

"5. To aid clearinghouses in coordinating State and local comments, draft statements should include copies of State and local agency comments made earlier under the A-95 process and should indicate on the summary sheet those other agencies from which comments have been requested, as specified in Appendix I of the CEQ Guidelines."

c. The Federal Interest in PNRS. While it should be obvious enough, Federal agencies administering the Federal taxpayers' dollars have an obligation to see that program funds are used as effectively as possible. Therefore, the potentialities under PNRS for revealing possible conflicts that could cancel out the beneficial effects of Federal assistance among programs or between jurisdictions can help the Federal administrator fulfill this obligation. Or, put more positively, PNRS can reveal opportunities for improving the cost effectiveness of projects by making them more complementary or combining them, thus reducing, not only conflict, but expensive duplication. As noted earlier, Federal internal review procedures may be effective in evaluating a proposed project in its own terms, but they will not generally reveal the external impacts of a project that can make or break it. However, positive clearinghouse comments -- or even "no comment" -- can give reassurance to the Federal administrator that external effects of a project are either beneficial or minimal.

PART II: DIRECT FEDERAL DEVELOPMENT

1. Scope of Requirement

Part II requires that Federal agencies which engage in direct development of Federal projects such as Federal civil works, military or scientific installations, public buildings, etc., must consult with State and local governments that might be affected by those projects. Where projects are not in conformity with State, regional, or local plans the Federal agency will be required to justify any departures. The requirement applies not only to construction but to the acquisition, use, and disposal of Federal real property.

Of particular note is the definition of "direct Federal development" in the definitions section of A-95 (Part V). The definition includes not only development undertaken by Federal agencies but also development undertaken for the use of the Federal Government or any of its agencies. Thus, Federal lease-purchase developments or developments undertaken specifically for lease or sale to the Federal Government would be included. It also includes leasing existing property where the Federal use will involve a change from the existing use by type, intensity, or scale.

In addition, in the preparation of environmental impact statements pursuant to Section 102(2)(C) of the National Environmental Policy Act, Federal development agencies are required to seek the views and comments of State and local environmental agencies. Regulations of the Council on Environmental Quality indicate the clearinghouses as the appropriate channel through which to secure the required State and local views and comments.

2. Implementation

Various executive office and congressional constraints on direct Federal development inhibit the use of the normal Part I Project Notification and Review System for these kinds of projects. For instance, under many direct Federal development programs, a project does not begin to have a real potential until it is included in the President's Budget. After that, it must still be approved by both the substantive and appropriations committees in both houses of Congress. In some cases, agencies are constrained in the timing and amount of information they can disclose at various stages in the planning process. In other cases, the possibility of land speculation may prevent consultation with State and local government until the site is secured by option or purchase.

The nature and intensity of these constraints may vary widely among programs involving Federal development. Consequently, the 1976 revision requires the agencies which do have such constraints to set forth in their regulations the time at which consultation will commence, what minimal information will be provided, how long a period will be provided for review, and how information on project action will be fed back to clearinghouses.

In the case of larger permanent Federal installations or property holdings, an alternative was suggested in the 1976 revision. This was for the Federal agency to execute a memorandum of agreement on planning and development coordination with the appropriate State and areawide clearinghouses in the jurisdiction of which the Federal installation or holdings are located. The idea, of course, is to work out arrangements for coordinating planning and development on the installation or holdings with that carried out by State and local government.

It is not always understood that development activities of State and local government can severely impact upon the effectiveness with which the Federal property can be used. For instance, in one southwest city, a zoning variance would have permitted the construction of a high rise building right in the flight path of a military airfield. Luckily, the potential conflict was discovered in time to prevent the development. However, the concern of the military over what they term, "civilian encroachment," makes the memorandum of agreement approach most attractive.

3. Federal Licenses and Permits

A substantial number of activities which may affect areawide and local development are carried out by nongovernmental or private sector organizations under permit from various Federal departments and agencies. Such activities might involve such matters as power plant siting, estuarine development, mineral exploitation on public lands, and similar activities, largely in the natural resources area. Another innovation in the 1976 revision of A-95 urges Federal agencies which are authorized to grant licenses and permits for activities affecting State, areawide, or local plans and programs or the environment to consult with clearinghouses on applications for such licenses and permits. Most Federal agencies having such licensing or permitting functions have indicated their intention to take this A-95 exhortation seriously.

4. Medical Facilities Requirements

One element of this Part that has proved somewhat confusing to clearinghouses is actually a transplant from an earlier OMB Circular (No. A-57) that was rescinded. The requirement applies to Federal medical facilities such as VA or military hospitals. When considering whether or not to recommend the inclusion of proposed new medical facilities (or expansions to existing facilities) in the President's Budget, OMB requires that the Federal agencies proposing such facilities accompany their proposals with the comments and recommendations of State and areawide health planning agencies. Under the 1976 revision, the comments of clearinghouses are also required to be included. Since A-95 clearinghouses will also review many or most such proposals under Part II, provision is made for the clearinghouses as the appropriate point of entry into the review system through which the comments of health planning agencies and clearinghouses will be secured. What should be made clear is that this is not a variation on the review process itself. What it means is that comments of the clearinghouses and the health agencies do not stop with the Federal agency, as they do in all other situations. It means that in the case of Federal health facilities, the comments must accompany the agency budget submission to OMB.

PART III: STATE PLANS

Numerous Federal formula grant programs require, as a precondition of a State qualification for its allocation, that the State submit a State plan (sometimes called "operational plans," or "plans of work" or similar terms). These are highly variable in nature and content. While some are plans in the conventional sense -- "What we want to do and how we expect to do it" -- others only indicate the basic administrative apparatus or arrangements under which the program will be carried out. However, almost all do require associated documentation which provides information about the specific activities for which program monies will be spent, even though this information does not appear in the "plan" itself. However, it is either required to be submitted with the plan or to be prepared and available for inspection by Federal program personnel. Part III defines "plan" as including, not only the formal plan document, but these associated materials.

The plan, as defined, must be submitted pursuant to Part III to the Governor (or his designee) for evaluation. The evaluation is based on the relationship of the plan to other State plans and programs and to gubernatorial development policies.

The Governor is urged, although not required, to involve the areawide clearinghouses in State plan review where activities to be undertaken under the plan will have an identifiable impact on areawide or local plans and programs. In a number of States the involvement of areawide clearinghouses in State plan review is established policy, as contributing an extra, most useful dimension to State plan evaluation.

A guide to programs covered under Part III can also be found in Appendix I of the Catalog of Federal Domestic Assistance.

In the previous (1973) edition of Circular No. A-95, there was another element in Part III, "Multisource Programs." This has been eliminated, although the same types of programs are now dealt with under "Joint Funding," paragraph 9 of Part I of the Circular.

PART IV: COORDINATION OF PLANNING IN MULTIJURISDICTIONAL AREAS

Part IV was developed originally to offset a growing tendency among Federal programs to promote areawide or multijurisdictional planning for various purposes. Such planning activities were uncoordinated geographically, functionally, and organizationally. In nonmetropolitan areas this frequently would lead to a serious drain on already limited planning resources. In metropolitan areas it has intensified confusion and general duplication of effort.

Part IV of the Circular is closely related to Part I. By encouraging the States to develop systems of substate planning areas, it sets the stage for a more complete geographic coverage of the Project Notification and Review System. Similarly, the PNRS, by requiring clearinghouse review of projected planning and development activities under various Federal programs, sets the stage for the more systematic and continuing planning coordination envisioned under Part IV.

Originally, the primary thrust of Part IV was to bring a measure of conformity, or at least consistency, in the geography of planning areas. This is an important precondition of effective coordination arrangements among various areawide planning activities. As States have developed substate district systems -- most have, and a majority are operational -- and as progress has been made in conforming federally designated planning areas with them, the thrust and emphasis has moved to improving arrangements for fully coordinating areawide functional planning with the comprehensive planning carried on by the substate district organizations.

In 1972, OMB asked the major public interest groups representing State and local government* to evaluate Federal agency implementation of Part IV. A major recommendation of that study was that Federal agencies utilize, to the greatest degree possible, the substate district organizations (called "umbrella multijurisdictional organizations" -- "UMJOs" -- in the study) to meet areawide planning requirements. The UMJOs were described as being predominantly composed of elected officials of general local government. Where responsibility for carrying out areawide functional planning is vested in an agency other than the UMJO, the study recommended that policy control be vested in the UMJO. A policy statement embodying these general ideas has been adopted by most of the public interest groups participating in the study.

The Advisory Commission on Intergovernmental Relations,** in a massive study of substate regionalism, adopted similar recommendations, although substantially stronger.

Part IV reflects the general thrust of the public interest group and ACIR recommendations. It does this in two ways:

- It encourages, but does not require, Federal agencies administering programs assisting or requiring areawide planning to utilize the substate district organizations (almost always A-95 clearinghouses) to carry out such planning.
- It requires that the regulations of programs supporting areawide planning provide for a memorandum of agreement, when the organization being funded for areawide planning is not the district organization, between that organization

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* Council of State Governments, National Governors'Conference, National Legislative Conference, National League of Cities, U.S. Conference of Mayors, National Association of Counties, and International City Management Association.

** The ACIR is a statutorily established intergovernmental research organization, the membership of which represents Federal and State executive and legislative branches, counties, municipalities, and the public.

> and the district organization. In the case of interstate metropolitan areas, the required agreement would be between the interstate A-95 areawide clearinghouse and any applicant for multijurisdictional planning assistance. The memorandum of agreement would identify the means by which the two would coordinate their related planning activities.

The agreement would include provisions for joint studies and utilization of resources, organizational arrangements, and utilization of common and consistent statistics, projections, and assumptions about the area and its future. The latter is extremely important, both in terms of resource savings and in eliminating one of the basic sources of plan conflicts.

The achievement of these coordinative arrangements, then, is a necessary concomitant effort with conforming jurisdictional boundaries of areawide planning agencies; for a common territorial base by itself does not assure coordination. There must be contact, communication, and cooperation between organizations planning for various aspects of area development for that to occur.

While Part IV indicates the various subject matters to be covered in the agreement, it does not prescribe the form or substance of the agreement. Those are matters to be negotiated between the two organizations. Where an agreement cannot be consummated, Part IV provides that the organization applying for assistance must indicate in the application the issues which have prevented agreement. The funding agency, in cooperation with the Federal Regional Council and the State clearinghouse, would assist the two organizations to resolve the issues and conclude an agreement. If no resolution is possible after 30 days, the funding agency could award the grant, if the application is otherwise in good order. Of course, it could also refuse to award the grant unless an agreement were concluded.

If the applicant organization is applying for areawide planning assistance for an area greater than or not coterminous with that of the substate district (or the A-95 areawide clearinghouse jurisdiction in the case of interstate metropolitan areas), it would have to develop memoranda of agreement with each substate district (or interstate areawide clearinghouse) into which that area extends.

The major programs assisting areawide planning (not necessarily exclusively) are:

- HUD: Comprehensive planning (701) program

- DOT: Urban highway planning
  Mass transportation planning
  Airport systems planning

- EPA: Water quality management planning
  Air pollution control planning
  Solid waste planning
- HEW: Health systems planning
  Planning for the aged
- DOL: Multijurisdictional manpower planning
- USDA: Resource conservation and development planning
- CSA: Community action planning
- EDA: Economic development district planning
- NOAA: Coastal zone management planning
- ARC: Local development district planning
- LEAA: Law enforcement planning

SUMMARY

OMB Circular No. A-95 is fundamentally an effort to create a climate where intergovernmental cooperation can take root and flourish. It does this by creating opportunities for contacts and communication within and among the several levels of government. This contact and communication is a necessary precondition for coordination.

In order to take full advantage of those opportunities, it is important that the various actors think of the requirements as opportunities, rather than as administrative obstacles:

- The applicant should recognize the opportunity to develop a better project through avoidance of conflict and the discovery of means for getting the most value for its investment.
- The Federal agency should recognize the opportunity for increasing program effectiveness through the same means and through applicant awareness of the need for sound planning and coordination.
- The clearinghouses should recognize the opportunities for providing real service to applicants and Federal agencies, which will enhance clearinghouse credibility and status as a constructive force in the area or in the management of the State government.

In sum, the regulations promulgated under Office of Management and Budget Circular No. A-95 are aimed at promoting more effective coordination of planning and development activities carried on or assisted by the Federal Government. The major device of A-95 is encouragement of systematic communications between the Federal Government and State and local governments in carrying out related planning and development activities. Used judiciously by State and local governments and regional bodies, the processes set forth in A-95 can result in more expeditious, more effective, and more economical development of physical, economic, and human resources.

EXHIBIT 1

PROJECT NOTIFICATION AND REVIEW SYSTEM

The following outlines the process of the "Project Notification System" developed to implement, in part, Title IV of the Intergovermental Cooperation Act.

Step 1 Potential applicant desiring Federal assistance makes inquiries of Federal agency.

Step 2 Funding agency informs applicant that, among other things, it must notify both State and areawide clearinghouses about the project for which it intends to apply for assistance.

Step 3 Applicant notifies clearinghouses.

Step 4.a. State clearinghouse notifies State agencies which might have programs affected by proposed project, including, where appropriate, environmental agencies and State agencies responsible for enforcing or furthering the objectives of civil rights laws.

4.b. Areawide clearinghouse notifies local governments and agencies whose interests might be affected by the proposed project,including, where appropriate, local and regional environmental agencies and public agencies responsible for enforcing or furthering the objectives of civil rights laws.

Step 5 State agencies, local governments, or others to whom notifications have been sent inform appropriate clearinghouse of any problems they may have with the proposed project.

Step 6 Clearinghouse may sign-off on the project, if there are no problems; or, if there are problems or questions raised about the project, the clearinghouse may arrange conferences with the applicant to discuss such questions or issues.

Step 7 If questions or issues have been resolved, clearinghouse may sign-off on the application; or if issues remain, applicant and clearinghouse (and any State or local interest) cooperate in developing the application to resolve the issues and strengthen the project.

Step 8 If issues remain by the end of the 30-day notification period, the clearinghouse should inform the applicant that it will want to review the completed application, unless the issues are resolved prior to its completion.

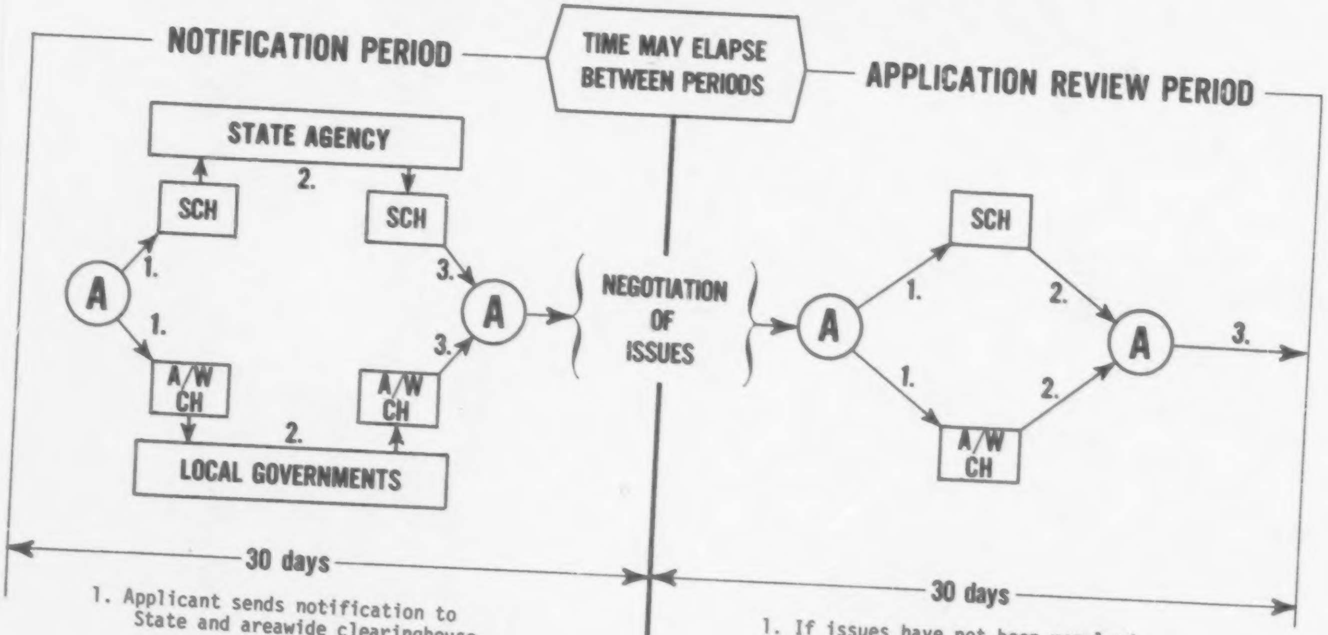
Step 9 If the clearinghouse has requested a copy of the completed application for information, when supportive comments have already been provided to the applicant, or for review and comment, when issues have not been resolved, the applicant will supply a copy of the completed application to the clearinghouse. If the completed application is submitted for information, the applicant may submit the application to the funding agency at the same time. Where it is submitted for review and comment, the applicant will permit 30 days for the clearinghouse to submit comments.

Step 10 At the end of 30 days or whenever the applicant has received the comments of the clearinghouse, whichever is earlier, he may submit his application to the funding agency. However, the applicant must have comments or sign-off from both the State and areawide clearinghouses (or no responses within the allotted time periods) before he is free to submit his application to the funding agency. All comments received from clearinghouses must accompany the application submitted to the funding agency.

Step 11 Funding agency considers application and attached comments and informs clearinghouses of action taken thereon (using Standard Form 424, where appropriate). Where a project against which a clearinghouse has recommended is funded, the action notice is accompanied by an explanation to the clearinghouse as to why its recommendations were not accepted.

It is possible for the review process to come to a satisfactory conclusion at any point at which clearinghouses can inform the applicant in writing of satisfaction with the project, as well as after Step 10. If an applicant has received no word from a clearinghouse at the end of the 30-day notification period, he may assume the clearinghouse has no further interest in the application. A clearinghouse which has not been able to get its comments on a completed application to the applicant during the allotted 30 days may submit his comments directly to the funding agency, which will consider them if its own application processing has not been completed.

PROJECT NOTIFICATION AND REVIEW SYSTEM


NOTIFICATION PERIOD
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1. Applicant sends notification to State and areawide clearinghouse.
2. Clearinghouses review and secure views of State agencies and local governments.
3. Clearinghouses notify applicant
    a. If there are any issues; or
    b. Send supportive comments; or
    c. Defer comments and request completed application for review.

1. If issues have not been resolved and/or clearinghouse has requested application for review, applicant submits application to clearinghouse.
2. Clearinghouse prepares comments and submits them to applicant.
3. Applicant submits application along with all clearinghouse comments to funding agency.

Exhibit 2

COMMITTEES:
ARMED SERVICES
CHAIRMAN
BANKING, HOUSING, AND
URBAN AFFAIRS
BUDGET

United States Senate
WASHINGTON, D.C. [illegible]

November 30, 1981

The Honorable David Stockman
Director of the Office of Management and Budget
Old Executive Office Building
Washington, D. C. 20503

Dear Mr. Stockman:

It has come to my attention that the Administration is considering the elimination of the circular A-95 review program. While I certainly support all efforts to eliminate excessive and costly over-regulation by the federal government, it is my opinion that elimination of the A-95 process would serve to make Washington even less responsive to appropriately coordinated federal, state, and local planning efforts.

One of the goals of the Administration has been to return more responsibility to state and local government. In my years of experience with regional groups from my State, I have found the A-95 process to be a valuable forum for the expression of local needs in the design and implementation of federal programs.

The A-95 program establishes a clearing house network to provide information to Washington and to the states on possible duplication of effort with federal and/or state funds. In a time of long overdue attempts at fiscal restraint, the savings which can result and have resulted from this coordinated planning should be commended and continued.

With best personal regards, I remain,

Sincerely,

John Tower

John Tower

JGT:rhd

STROM THURMOND, S.C., CHAIRMAN

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EMORY SNEEDEN, CHIEF COUNSEL
QUENTIN CROMMELIN, JR., STAFF DIRECTOR

United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, D.C. 20510

November 24, 1981

Mr. Harold Steinberg
Associate Director for Management
Office of Management and Budget
283 Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Steinberg:

I am writing to express my concern about the proposal to eliminate the A-95 Circular. As you know, this implements Section 401, Title IV of the Intergovernmental Cooperation Act of 1968 (P.L. 90-557).

In addition to the obvious question as to the legality of implementing this proposal, there is also the practical fact that the A-95 review process has actually saved the tax payers' money.

Furthermore, the A-95 process is the embodiment of the "New Federalism" concept which President Reagan so enthusiastically supports. Local elected officials, especially in rural areas, have found the process to be a valuable coordination tool that encompasses all levels of government.

The enclosed letter from Mr. Arthur Hogan, Director of the Chittenden County Regional Planning Commission (CCRPC) in Vermont, gives examples of public dollars which have been saved as the result of the A-95 activities of the CCRPC. He also provides an example of costly duplication which occurred before the A-95 process was instituted.

As a prime sponsor of the Regulatory Reform legislation, I understand this Administration's efforts to reduce unnecessary and costly regulations. However, rather than costing the tax payers money, the A-95 process actually saves our money. The A-95 process creates a forum which facilitates discussion among local, state and federal officials. These discussions have resulted in the significant reduction of duplication of effort, and, in many instances, even the elimination of unneeded, potentially costly projects.

Thank you for your interest and cooperation. I look forward to hearing from you before OMB's final action.

Sincerely,

Patrick J. Leahy

PATRICK J. LEAHY
United States Senator

LES AuCOIN
1st District, Oregon

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

July 27, 1981

Mr. Hubert L. Harris, Jr.
Assistant Director for
Congressional Relations
Office of Management and Budget
Executive Office Building
Washington, D.C. 20530

Dear Mr. Harris:

It has come to my attention that the U.S. Department of Housing and Urban Development is considering withdrawing its programs from review under the OMB A-95 review process.

If, in fact, plans are being considered to discontinue the A-95 review process, I would strongly suggest that this matter be reviewed and any plans to discontinue the A-95 process be reconsidered.

The A-95 process is a valuable tool for assessing local needs, coordinating resources, and preventing waste or duplication of government services.

I would appreciate any information or input you could provide concerning this matter. Please direct your response to Mark Gaede, of my Portland, Oregon office. Your prompt response will be much appreciated.

With warm regards,

Sincerely,

LES AuCOIN
Member of Congress

LA:mg
cc: Polk County Commisioners, Oregon

231 CANNON HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515 (202) 225-0855
1716 FEDERAL BUILDING, 1220 SW THIRD, PORTLAND, OREGON 97204 (503) 221-2901, OREGON TOLL FREE LINE 1-800-452-1920

ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

April 22, 1982

Senator David Durenberger
Chairman
Subcommittee on Intergovernmental
Relations
353 Russell Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

I appreciate the opportunity you have provided to ACIR to submit a statement for the record in your hearings on the A-95 review and comment process scheduled for April 26, 1982.

As you know, the Advisory Commission on Intergovernmental Relations played a part in creating the intergovernmental communications process which has come to be known by the number of the OMB circular which currently sets forth the procedures which govern it. ACIR saw the need for such communications in the early 1960s at a time when the federal aid system and other federal activities affecting state and local governments were much smaller and less intrusive than they are today or are likely to be in the near future. Yet, even in those simpler days, federal funds were supporting competing and conflicting projects, causing difficulties for federal agencies as well as those in charge of development at the state and local levels.

In light of these difficulties, the Commission recommended in January 1964 "that (1) the Congress enact legislation to establish the principle of federal interagency coordination in the full range of programs affecting urban development, and (2) the executive branch of the federal government implement the congressionally stated principle by preparing and adopting a unified urban development policy establishing coordinating procedures." Draft legislation to implement this recommendation was provided in the 1964 report. Ultimately, it became Title IV of the Intergovernmental Cooperation Act of 1968, and today this title is a principal foundation for Circular A-95. This same report also was instrumental in supporting the adoption of Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, which is the other principal legislative basis for the circular.

Over the years, ACIR has studied the evolving A-95 process and made recommendations for its improvement. In 1973, the Commission recommended that Circular A-95 and certain amendments to the Intergovernmental Cooperation Act of 1968 become the basis for a strengthened and more uniform federal role in substate regionalism. In 1976, the Commission recommended that the federal regional councils use the A-95 process to strengthen the federal interagency review of programs and projects likely to have interagency ramifications. In 1980, the Commission recommended continued financial support for the A-95 process and initiation by OMB of "a more energetic and imaginative administration of Title IV of the Intergovernmental Cooperation Act of 1968 and OMB Circular A-95, especially its Part IV concerning the coordination of planning and multi-jurisdictional areas, and an expansion of the Circular to require federal agencies to ensure consistency of reviewed projects with applicable federal policies as well as with state and areawide plans and policies." Clearly, the A-95 process has been one of ACIR's primary interests over the years. It is one of the prime examples of an ACIR policy recommendation which has been implemented to a significant extent.

Circular A-95 has been carefully crafted to respond to diverse needs of federal agencies, states, metropolitan areas, nonmetropolitan regions, and local governments. While it is not without need for further improvements, as indicated by the more recent ACIR recommendations cited above and by evaluations completed in recent years by OMB itself and by the General Accounting Office, it is a sound process. It responds to important needs for intergovernmental communication and responds faithfully to the legislation which underpins it. This legislation establishes:

+ a national development policy (Section 401(a) of the Intergovernmental Cooperation Act of 1968);

+ declares that "all views -- national, regional, state and local -- shall, to the extent possible, be fully considered and taken into account in planning federal or federally assisted development programs and projects" in relation to the national development policy (Section 401(b), ICA of 1968);

- + requires the President to "establish rules and regulations governing the formulation, evaluation, and review of federal programs and projects having a significant impact on area and community development, including programs providing federal assistance to the states and localities;" and

- + requires that applications for federally aided physical development projects in metropolitan areas be submitted to metropolitan planning agencies for review and comment before they are funded (Section 204, Demonstration Cities and Metropolitan Development Act of 1966).

These are firmly legislated policies.

It is reassuring that the Administration is proposing to continue an intergovernmental communications process in the future. This decision comes after a lengthy reevaluation of the need for regulatory reform with respect to Circular A-95.

Nevertheless, the policies proposed to be substituted for OMB Circular A-95 are very general. They do not refer to the legislative basis for the process and they leave a number of questions unanswered. For example:

- + How will federal agencies "provide opportunities for consultation by elected government officials of state and local governments that will be affected by planned federal actions?"

- + If a state decides not to create an A-95 process of its own, how will federal agencies provide for the consultations required by the Intergovernmental Cooperation Act of 1968 and the Demonstration Cities and Metropolitan Development Act of 1966?

- + In interstate metropolitan areas, how will federal agencies "provide for the coordination of elected officials in one state with those in another?" How will the federal agencies meet the requirements of law to consider "all viewpoints — national, regional, state and local" in the event that one or more states in the interstate area do not provide procedures or in the event that these procedures do not adequately provide opportunities for local and regional levels to be heard within the state process?

- + If a state process does not incorporate views of local officials, how will the federal agencies do so?

- + How can federal agencies react effectively and efficiently to reviews and comments provided through divergent state processes having wide state-to-state differences in procedures, programs covered, and timetables?

- How will OMB oversee implementation of the new intergovernmental coordination policy by the federal agencies?

In the past, OMB has wrestled with each of these questions and provided answers through Circular A-95. Such questions should be answered in the context of any new policy before it replaces A-95.

Sincerely,

Carl W Stenberg

Carl W. Stenberg
Acting Executive Director

BDM/kkf

ALEC
AMERICAN LEGISLATIVE EXCHANGE COUNCIL
418 C Street, N.E.
Washington, D.C. 20002
(202) 547-4646

May 17, 1982

MEMORANDUM

TO: Alan Holmer
Special Assistant to the President,
The White House

James Kelly
Deputy Associate Director,
Office of Management and Budget

FROM: Edgar E. Vash
Legislative Analyst,
The American Legislative Exchange Council

RE: Working draft of Executive Order to replace Circular A-95

* * *

The working draft of the Executive Order (as dated May 13) is a useful framework around which to change existing A-95 processes. The draft shows a genuine commitment to bring State and Local views into the policy-making process, as well as a desire to make internal processes responsive to external pressures. The revision is a long-overdue change in Federal-State relations, and the Administration is to be commended for taking such a creative step.

As a legal blueprint for revising A-95, however, the working draft is dangerously incomplete. The draft uses misleading words, imprecise phrases, and inappropriate qualifications. The guidelines are inadequate; the processes are restrictive. These problems can be overcome with relatively harmless modifications in the phrasing of the sections. Unless the modifications are adopted as outlined below, the Executive Order will create more problems than it seeks to resolve. The recommended modifications would clarify the intended interaction of Federal, State, and Local officials.

PREAMBLE The statement of purpose seems designed to declare that federalism can be strengthened by mandating the input of State and Local officials into Federal decision-making. The statement does not, however, actually require such input. The phrase "the State and Local government coordination and review of" should, therefore, be changed to read, "advice regarding." The latter is less wordy and more precise than the former. The substitute phrase also guarantees actual input by State and Local officials, whereas the original wording only provides for "coordination and review" — a phrase that can be construed as limiting the State and Local role to that of a post facto manager. The words "coordination and review" usually are used in federal regulations to describe implementation of an idea, not the planning or development of an idea. To rectify this problem, the more economically-worded "advice regarding" is desirable.

A second problem is that it limits the State-Local input to, among other issues, proposals that involve "direct" Federal development. (The same restriction is made in the last line of Section 1 (a).) The adjective "direct" necessarily implies that the Federal development must be financial in nature. This kind of qualification ignores the fact that many of the most important federalism initiatives involve non-financial, non-direct forms of Federal development plans. Two fine examples of such non-direct, non-financial plans are the enterprise zone proposal and the workfare proposal — neither of which are policies that are covered under the description of activity in which states and localities can participate. Delete the word "direct" and dilemma is removed. "Direct" is needless, restrictive, and wordy.

A third problem is the inconsistency of the modifier that precedes "Federal assistance," in the Preamble and Section 1(a). The modifier in the Preamble is "proposed," but the modifier in 1(a) is "planned." This inconsistency shows a careless use of proper statutory style. The same adjective should be used when preceding "Federal assistance."

SECTION 1 Subsection (a) restricts Federal, State, and Local consultation to Federal assistance that is "planned" or "direct." As noted above, such a restriction excludes State and Local input vis-a-vis Federal proposals that don't require an appropriation (e.g., enterprise zones). To correct this omission, the following language should be added to the last line of Section 1(a): "and Federal activity that requires or leads to a State or Local commitment."

Subsection (b) provides a significant loophole for Federal agencies under future administrations who are sympathetic to the notion of special purpose planning organizations. The loophole is the restrictive phrase, "discouraging the reauthorization or creation of..." That language implies that any activity other than reauthorization or creation is legal and proper for the Federal government. Thus, Federal agencies could provide technical assistance monies or advice to special purpose planning organizations, on the grounds that such activity does not "reauthorize" or "create" the proscribed organization. Providing technical assistance would not be illegal because it merely augments an already existing group; it doesn't create or reauthorize. This void can be filled by adding the following language to the end of Section 1(b): "Federal agencies shall also refrain from any activity that contributes to the viability of Federally-sponsored special purpose planning organizations."

SECTION 2 Throughout the subsections of Section 2, there is a repeated use of the words "official views" and "designated mechanisms" of the States and Localities. By emphasizing a reliance on those forums for State and Local input, the Executive Order prevents the presentation of constructive views by maverick legislators whose views may be inconsistent with the "official" majority views of elected officials. The wording also prevents the input of non-profit public policy organizations (such as ALEC and The American Enterprise Institute) since they are, technically, not an official arm of State or Local governments. Indeed, the peculiar wording does not allow the input of the Federally-created Advisory Commission on Intergovernmental Relations (ACIR). This problem can be remedied by deleting references to "official" views (Subsection (a)) and "the designated State mechnaism" (Subsection (b)).

The entirety of Subsection (c) is inadequate. To begin, the first three words of the Subsection ("Minimize the imposition") implies that the imposition of planning requirements is desirable, provided that such requirements are kept at a minimum. Thus, the goal for executive officials will not be the termination of onerous rules, but rather a reduction in the frequency of their issuance. No planning requirement should be presumed to have such infallacy; all planning requirements should be subject to strict scrutiny. Recommended change: substitute the phrase "Maximize the elimination" for "Minimize the imposition." This subtle switch of terms puts Federal regulators on the defensive.

Another problem with the (c) Subsection is the passive mandate for using State systems instead of Federal systems. The mandate is passive because it is made optional through the words, "shall be encouraged." The provision can be strengthened by changing the wording as follows:

> delete: "the substitution of these State systems for Federally-required State plans shall be encouraged by the agencies."
>
> substitute: "the State systems shall be substituted for Federally-required State plans."

Subsection (d) of Section 2 is too narrow in its focus. The roster of policy areas wherein state-local input is required excludes such important matters as land and water disputes. Between the phrase "metropolitan urban centers" and "or other interstate areas," the following words should be added: "interstate waterways, interstate land compacts, interstate development plans." The suggested additions make Subsection (d) more inclusive of the many federalism issues wherein State-Local input is desirable. The entire Subsection can be strengthened even further by deleting the word "areas" that concludes Subsection (d) and inserting in its place the word "interests." That last change gives the phrase less of a geographic connotation than did the original wording.

SECTION 3 Under a strict interpretation of Section 3, the phrase "State processes" can be inferred to include the government-sponsored special purpose planning organizations that are supposedly discouraged in Section 1(b). To the extent that units of State government partially finance such groups, the special purpose planning organizations can be seen as an arm of the "State processes" — with all the rights to Federal policy development implied in the Executive Order. Section 3 should, therefore, either add a caveate about excluding special purpose planning organizations or else clarify the words "where States delegate, in specific instances..." Question: Does the word "States" refer to the deliberative process of State Legislatures, or does it include any entity designated by the Governors? Would the phrase "State processes" encompass any activity sanctioned by groups of State officials regardless of whether or not the activity is financed with State monies?

SECTION 4 The language of Section 4 has the same technical problems outlined for Section 2(b), above. The wording of Section 4 excludes the constructive input available from non-profit groups and membership organizations of State Legislators. Moreover, Section 4 doesn't stipulate the rights or privileges to which State entities are entitled. Section 4 only says that OMB will maintain a list; it doesn't say for what the list will be used, nor does it give a reason why the list must be maintained. To remedy both these problems, the following language should be added after the words "and proposed actions": "That list shall include membership organizations of State and Local officials, regardless of whether such organizations are funded by Federal, State or Local tax dollars. To the maximum extent practicable, the entities on the OMB list shall receive from the Office of Management and Budget prompt, accurate, and timely information pertaining to the federal plans and proposed actions" outlined in the Preamble of this Order. These suggested additions to Section 4 will make the Executive Order a more useful and understandable document.

SECTION 6 The proviso stating that the views of State and Local officials must be "included" in the OMB report is poorly written. The language only directs the OMB Director to quote opinions of State and Local officials; there is nothing in the wording that directs OMB to incorporate State and Local views into the report. This omission is very serious, given that the very reason for issuing the Executive Order is to demonstrate a commitment by the Executive Branch to heed opinions of States and Localities. Obviously, the OMB Director should not be ordered to simply repeat the views of such officials. There should, however, be some guarantee that their views will be reflected in the conclusions and recommendation of the OMB report. Recommended changes? In front of the sentence beginning with the words, "State and Locally elected officials," add the following language: "That report shall reflect and incorporate the views of". If this simple change is made, then a period should be added after the word, "improvement" and the words "will be included in the Director's report" should be stricken.

American
Planning
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April 22, 1982

Senator David Durenberger
Chairman
Subcommittee on Intergovernmental
 Relations
Senate Committee on Governmental
 Affairs
507 Carroll Arms
Washington, D.C. 20510

ATTN: Pamela Hess, Professional Staff Member

Dear Mr. Chairman:

The American Planning Association (APA) is grateful for the opportunity to submit this statement for the record of your hearings on the revisions to OMB Circular A-95 concerning "Evaluation, Review and Coordination of Federal and Federally Assisted Programs and Projects."

The APA is the national organization of 21,000 city, regional and state planners, elected and appointed officials at all levels of government, professional practitioners, educators, interested citizens and students who share the objective of advancing the art and science of planning for the unified development of communities, cities, regions, states and the nation. APA's membership belongs to 46 Chapters covering virtually every state and Congressional district. Among APA's specialized groups, are our Metropolitan and Regional Planning Division and our State Planning Division. Members of these two Divisions represent many of the areawide and state A-95 clearinghouses.

APA views intergovernmental relations as a key element of planning in the American federal system and believes that "Every level of government should have an opportunity to express its views about decisions made at other levels that would have a substantial impact on its jurisdiction." (Summary of Planning Policies of the American Planning Association, Adopted April 1981.) A-95 is the only governmentwide process that provides the opportunity for such intergovernmental dialogue. In APA's experience, the A-95 clearinghouses have established and reinforced unique and essential intergovernmental communications channels that, for the most part, did not exist before A-95 came into being. The A-95 process is needed now, more than ever, and should be continued in the years ahead.

The OMB proposal allows state discretion as to whether the A-95 process will continue. That proposal is unacceptable for three reasons:

President
Irving Hand, AICP

President-Elect
Fred P. Bosselman, AICP

Executive Director
Israel Stollman, AICP

1. Congress and the President, by legislation, have declared it to be national policy that "all viewpoints -- national, regional, state and local -- shall, to the extent possible, be fully considered and taken into account in planning federal or federally assisted development programs and projects." (Section 401(b), Intergovernmental Cooperation Act of 1968.) Obviously, some intergovernmental communications process, such as A-95, is required to implement this policy.

2. The President is required, by this same act, to "establish rules and regulations governing the formulation, evaluation, and review of federal programs and projects having a significant impact on area and community development, including programs providing federal assistance to the states and localities . . ." For the President to delegate this rulemaking requirement to the states would be to give the states the option to override national policy as expressed by the Congress and the President in the Intergovernmental Cooperation Act.

3. The legislative intent in the Intergovernmental Cooperation Act and in Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, quite clearly, was to establish nationwide opportunities for the exchange of views among the various levels of government without any special role for the states in channelling or obstructing the views of the other levels. In fact, Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 requires submission of applications for a wide range of federal loans and grants to metropolitan or regional planning agencies for their review and comment, with no reference whatsoever to a state role. This requirement was in effect three years before OMB issued Circular A-95, and it remains in effect today as one basis for the A-95 process. Circular A-95 added the statewide clearinghouses to the process, but did not give them a superior role, nor does any legislation do so. It is important to have a state role and participation in A-95. It is essential that there be a federal direction that assures a full and effective expression of the A-95 responsibility within each individual state.

Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 and Title IV of the Intergovernmental Cooperation Act of 1968 -- both of which firmly underpin the present OMB Circular A-95 -- were enacted because federal and federally aided activities were conflicting with one another and there was no federal coordinative mechanism to guard against such conflicts. There still is no such coordinating mechanism other than A-95. The state and areawide A-95 clearinghouses perform a definite service to the federal government -- in coordinating the use of federal funds nationwide -- as well as to their own levels of government.

With respect to the scope of federal activities and federal aid programs subject to review in the future:

- There is no indication that direct federal activities now reviewable under A-95 will be diminished;
- To the contrary, there are indications that many defense installations may experience increased activity, and the disposition of surplus federal properties may increase markedly; and
- Even the most expansive estimates of the reduction in the number of federal aid programs would leave perhaps 100 or so on the reviewable list using present criteria.

Thus, there will continue to be a substantial amount of activity of the types that the A-95 process was designed to help coordinate.

With respect to OMB's position that block grants should be excluded from the A-95 process, it is spurious to base such a proposal on the notion that the federal agencies cannot affect the use of such funds by state and local governments. The Intergovernmental Cooperation Act of 1968, in Sec. 401(a), clearly establishes the national policy that federal funds shall be spent in such a way as to promote "the concurrent achievement of the following specific objectives and, to the extent authorized by law, reasoned choices shall be made between such objectives when they conflict:

(1) appropriate land uses for housing, commercial, industrial, governmental, institutional, and other purposes;

(2) wise development and conservation of natural resources, including land, water, minerals, wildlife, and others;

(3) balanced transportation systems, including highway, air, water, pedestrian, mass transit, and other modes for the movement of people and goods;

(4) adequate outdoor recreation and open space;

(5) protection of areas of unique natural beauty, historical and scientific interest;

(6) properly planned community facilities, including utilities for the supply of power, water, and communications, for the safe disposal of wastes, and for other purposes; and

(7) concern for high standards of design."

This national policy statement is every bit as much a policy to be reckoned with as the nation's civil rights and environmental protection policies. It could be enforced under the block grants by state certification that the intent of this act will be carried out in the administration of block grants. Those grants, then, could be audited for compliance with this coordinative concept and with the provision of adequate opportunities for considering all views -- national, regional, state and local. A standard process for the states to follow in complying with this national policy -- as now provided by circular A-95 -- would be a convenience of substantial value to all concerned.

The greatest difficulty shown by past evaluations of A-95 has been noncompliance by the federal agencies. OMB's state option proposal would allow (a) different sets of programs to be reviewed in different states, and (b) different procedures and timetables to be employed in each state. This could be expected to make federal agency compliance much more difficult and uncertain. OMB's job of enforcing agency compliance also would be more difficult, because it would be trying to enforce compliance with potentially a wide range of different processes, timetables, and applicable program lists. Even with a single process, timeline, and program list, OMB has been unable in the past to bring the agencies into line.

The second most serious problem shown by past evaluations of the A-95 process has been the lack of adequate funding. Recent and pending federal budget cuts, of course, have exacerbated this problem. Nevertheless, federal funds and federal activities still are having an impact in the field, and need to be coordinated. In metropolitan areas, at least, areawide federal planning assistance is anticipated to continue for the urban transportation and wastewater treatment programs. Such funds have been available to support the A-95 process in the past and should continue to share A-95 costs.

Continuation of a special federal role is needed in ensuring that the national coordination policy enunciated in the two acts cited above will be carried out on a regionwide basis in interstate metropolitan areas. The nation has 40 such areas, housing about 25% of the nation's population and involving two-thirds of the states. Yet, the states alone cannot be relied upon to take the national view of areawide coordination across state lines in these areas. Suppose, for example, that in a tristate metropolitan area, two states have provided for A-95 processes under OMB's proposed state option provisions, and that these processes differ in procedures, timeframes, and reviewable programs and, furthermore, that the third state does not choose to establish such a process at all. A single areawide interstate clearinghouse probably would not be designated by the states in this case. Even if designated, such a clearinghouse would have to apply the review and comment process differently in the three parts of its region. This would present a highly complex and unsatisfactory set of circumstances. Instead, the presently designated interstate areawide clearinghouses, administering a uniform process throughout their regions, are preferred.

A final difficulty anticipated with OMB's proposal for state option is its potential for discontinuing the present practice of attaching the review comments of all parties to applications for federal funding. This practice should be maintained. It is doubtful, however, that it would be under the OMB proposal. A state clearinghouse would be free to amalgamate all comments into a single statement that might slight or ignore some or all of the views expressed by local governments or areawide clearinghouses.

The A-95 process certainly is not without need for improvement. Past evaluations have shown that. Chief among those needs are (a) better federal agency compliance, and (b) more adequate funding of the clearinghouses. The present OMB proposal represents a step backward in both respects and has other serious flaws as well. The OMB proposal is inconsistent with existing legislation and probably subject to court challenge.

The A-95 process, as it presently exists, has been carefully crafted over a period of many years. It is basically sound. Its fundamental ground rules should not be changed. The present OMB Circular is a better basis for seeking improvement than OMB's new proposal.

The American Planning Association hopes that OMB will provide a formal period for review and comment of its proposed changes in the present circular before making any major changes, and that OMB will thoroughly explore the issues raised concerning its present proposal. APA stands ready to share its knowledge of this important intergovernmental process with OMB and hopes that an opportunity will be afforded for such an exchange.

APA appreciates the Intergovernmental Relations Subcommittee's efforts to bring this important issue forward for public debate.

The American Planning Association would be most happy to provide any additional information the Subcommittee may desire. Please feel free to contact George T. Marcou, AICP, Director of National Planning Policy, at 872-0611.

Sincerely yours,

Irving Hand, AICP
President

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**International
City
Management
Association**

November 19, 1981

Mr. David A. Stockman
Director
Office of Management and Budget
Executive Office Building
Washington, D. C. 20503

Dear Mr. Stockman:

This letter is to support the continuation of the review and comment process currently provided under OMB's Circular A-95.

ICMA has, among its members, professional managers employed by cities, counties, and councils of governments. For the most part, the represented regional organizations are agencies of city and county governments; their main mission is to develop regional policies and programs, and coordinate the efforts of their member governments and related agencies in the implementation of such policies. One of the principal tools used to ensure that federal grant-in-aid assistance and direct development activities reinforce both regional and local community objectives is the review and comment opportunity provided under the A-95 process. We believe that this intergovernmental management technique has been effective and influential in promoting regional and local interests on complex intergovernmental issues that often are generated by federal policies and programs.

In view of the positive experience that ICMA members have had with the A-95 process, we are greatly concerned over the current assessment of the Circular.

It is our understanding that OMB is currently investigating three options concerning A-95. One is to maintain the system as is; the second is to simplify it and make it a voluntary process; and the last simply is to terminate the A-95 regulations.

Circular A-95, in one form or another, has been in existence since 1968. During this time, it has at least been substantially modified on two occasions. Most of these changes were brought about by the experience derived from its operation or because of fundamental changes in the federal grant-in-aid system. Obviously we are embarking, under the Reagan Administration, on a fundamental realignment of the federal approach to providing assistance to state, regional and local governmental units. At this time, the main change in the federal assistance system is to consolidate many of the numerous categorical programs into block grants. Hopefully this will reduce the many Congressional and Executive strictures put on the use of these federal grant monies.

Apparently the current review of the A-95 process is to bring it into alignment with this block grant strategy, and also assess, if it should continue, and the potential for making it voluntary and less cumbersome.

We would like to address both of these issues because we feel that they are relevant to your final decision. In the first instance, we do not feel that the movement toward block grants in any way erodes the coordination needs under our federal grant-in-aid system. At the very least, there will be a substantial period of transition before block grant programs replace the many categorical assistance programs. Moveover, in some instances we already have seen that there are certain conditions being levied on the use of block grant funds which could be monitored through a review and comment process under the Circular. Finally, on this point we should address the question of direct federal activities. The Federal government will continue to be active in the development of federal installations and facilities throughout the country, especially with the necessary enhancement of our military capacity. It also will maintain its substantial permit and licensing functions. In our opinion, these federal activities, in and of themselves, justify the maintenance of the A-95 process. As you are aware, Title VI of the Intergovernmental Cooperation Act of 1968 mandates that, to the degree practicable, the Federal government shall conduct its own development policies and planning. The mechanism established under the A-95 process is the best vehicle found to date to ensure that the Federal government defers to state and local interests in the absence of an overriding National need.

The other major basis for the review, of course, deals with restraining unnecessary or onerous requirements in certain federal regulatory programs. Inherent in this effort is the goal to unburden state and local governments from the myriad of federal mandates which, in many cases, have only peripheral value in attaining national objectives. We do not believe the A-95 process fits into this category, however. ICMA's membership does not have a specific position on whether the current A-95 procedures can be simplified and streamlined. As a general proposition, most regulations can profit from a review to achieve these purposes from time to time; we assume the A-95 process is no exception. Therefore, the purpose of this letter is not to argue for the status quo, but simply to urge that the evaluation is based on opportunities to simplify and improve the process, rather than to terminate it.

In sum, we strongly urge that you retain the coordination opportunities available under the A-95 review and comment process. It has proven its worth; and tangible documentation of its real value is available.

The staff of ICMA stands ready to assist you in any way you think would be helpful in completing your review and evaluation of the A-94 regulations.

Sincerely,

Mark E. Keane
Executive Director

N4A

President
George Telisman
Vancouver, Washington

First Vice President
Shauna O'Neill
Salt Lake City, Utah

Second Vice President
Clifford Whitman
Buffalo, New York

Secretary
Phyllis Pinkerton
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Treasurer
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Management Specialist
Daniel Hickman
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Training Specialist
Nancy Gorshe
Washington, D.C.

Information Systems
Specialist
Nancy Popper
Washington, D.C.

June 2, 1982

Senator David Durenberger, Chairman
Intergovernmental Relations Subcommittee
353 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Durenberger:

The National Association of Area Agencies on Aging (N4A) recently learned that the Office of Management and Budget (OMB) is proposing changes in the review and comment system now implemented by Circular A-95. The Association learned that the Senate Intergovernmental Relations Subcommittee of which you Chair, held a hearing on the OMB proposed changes. Therefore, we would like to provide the following comments for the record.

N4A is greatly concerned with the section entitled Supporting Federalism. Point #2 states, "Federal Agencies shall support general purpose units of government by discouraging the reauthorization or creation of federally sponsored special purpose planning organizations". This proposed change by OMB appears to ignore the mandates of the Older Americans Act as amended and signed into Public Law 97-115 on December 29, 1981 by President Regan. The Act (Section 305 1(E) and 2(A) requires the State Agency to divide the State into distinct planning and service areas and designate for each such area after consideration of the views offered by the unit or units of general purpose local government in such area, a public or private non-profit agency or organization as the Area Agency on Aging for such area. The President during the 1981 White House on Aging confirmed his strong commitment to the Older Americans Act and recently indicated that it would not be included as a program under the New Federalism. This was also reaffirmed in statements by DHHS Secretary Richard S. Schweiker.

202-484-7520
National Association of Area Agencies on Aging
600 Maryland Avenue SW, Suite 208
Washington, DC 20024

During the hearing which you held on April 26, OMB Deputy Commissioner Wright offered the following response to your direct question to clarify special purpose planning organizations: "The Administration intends to discourage creation of federally sponsored special purpose organizations such as health systems agencies, economic development districts and Areawide Agencies on Aging.

N4A strongly opposes this position and appeals to your Subcommittee to more closely review this draft proposal. This statement is contrary to the mandates of the Older Americans Act and will have a negative impact on the Network on Aging which is constituted by 57 State Units on Aging and 660 Area Agencies on Aging. This change will have a negative impact on service delivery to older persons across the country.

It is also the Associations understanding that a public comment period is not required until the draft rules and regulations are released. N4A strongly urges your office to support at least a 30 day public comment period on these proposed changes in order to fully comprehend what impact this change could have at the local community level.

N4A calls upon your Subcommittee to more closely evaluate this proposed change and the impact it will have on special purpose planning organizations.

On behalf of the Area Agencies on Aging, N4A awaits your response.

Sincerely,

GEORGE Tel

George Telisman
President

Raymond C. Mastalish

Raymond C. Mastalish
Executive Director

National Association of Counties
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December 3, 1981

Mr. David Stockman
Director
Office of Management
and Budget
Old Executive Office Building
Washington, D.C.

Dear Mr. Stockman:

It is our understanding that the Office of Management and Budget (OMB) is seriously considering the total elimination of A-95 coordinative policies in your review of the A-95 Circular. The National Association of Counties (NACo) urges that federal coordinative policies not be abandoned by the administration. We see great value in A-95 as a coordinative tool for local governments.

Although counties across the country have expressed serious problems with the language of the present circular and drafts since, we strongly believe in the concept of coordinating federal policy with local needs. Properly applied, A-95 does do this. As with any activity, the A-95 effort is only as good as those involved make it. Many of the criticisms surrounding A-95 rests on the way the circular or review and comment process is carried out. In some areas of the country, the clearinghouse has not given ample opportunities for local elected officials to be involved in all the decisions. In other areas of the country, elected county officials and the staff of the clearinghouse have developed good working relations where an understanding has been reached. That understanding generally is an agreement that the clearinghouse is simply a tool for local elected officials.

Another criticism of A-95 centers around the voluminous paperwork caused by the process. Paperwork, however, can be easily remedied by changing the circular process, not the intent. The paperwork criticism stems from two specific reasons: first, some clearinghouses run all grants through the review and comment process, including those not required by law and those unnecessary, and secondly, Congress has required far too many programs to be reviewed through the A-95 process. As I stated earlier, these problems can be corrected and should not form the basis of any decision to terminate A-95 coordinative policies.

I realize that the reduction in federal intergovernmental transfers has led many federal officials to believe that A-95 is no longer necessary. This simply is not true. Fewer federal programs require all of us, county and city officials alike, to make better use of these program dollars and invest our own resources more prudently. Again, A-95 can serve as a most valuable tool in coordinating all our resources, federal, state and local governments. It will help us determine where intergovernmental functional transfers can take place, or where interlocal contracting would be warranted. Better coordination obviously is an important goal for all levels of governments -- all partners of our intergovernmental system.

Our American County Platform reads, "NACo strongly urges federal and state governments to require coordination among their agencies, coordinate and minimize planning and reporting requirements, and recognize and follow the principles of regional cooperation...all in support of the decisions made by local elected officials on regional issues." NACo's policy, reaffirmed by our entire membership at our annual conference in July of 1981, clearly supports the concept embodied in A-95 coordinative policy. Again, on behalf of counties nationwide, I urge OMB's serious consideration to reissue a revised A-95 policy. It is our belief that A-95, properly utilized, can work.

The staff of the National Association of Counties stands ready to support any effort to redevelop A-95 policies. Should you have any questions regarding NACo policy on this matter, please feel free to contact Linda Church Ciocci, NACo Legislative Representative for Intergovernmental Affairs and Local Determination. Linda can answer any specific questions you may have regarding our county officials' assessment of the A-95 Circular.

Again, I urge your consideration of our comments, and look forward to working with you on this important matter.

Sincerely yours,

Bernard F. Hillenbrand

Bernard F. Hillenbrand
Executive Director

cc: Mr. Ed Harper
Mr. Jim Kelly
Mr. Richard Williamson
Sen. David Durenberger

national
association
of regional
councils

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[illegible]

November 20, 1979

AMENDED DRAFT RECOMMENDATIONS FOR IMPROVING A-95

NARC commends the U. S. Office of Management and Budget for its commitment to vitalize the A-95 process. The association pledges its full support furthering the efforts of OMB to improve A-95.

The association perceives A-95 as a workable policy and an essential tool of intergovernmental cooperation.

The points below represent unofficial, advisory notes that are intended to help focus efforts that will follow this conference.

Improving Operations

1. Establish regular joint evaluative efforts involving OMB, areawide clearinghouse representatives, and state representatives. One annual national meeting, as well as annual meetings in each federal region could be used to discuss issues in the implementation of the circular.

2. OMB must develop audit mechanisms with regard to A-95. These audits should include both the substantive A-95 reviews and the administrative process, including unnecessary and inconsistent limits on federal fund availability to support A-95. Problems identified in audits need to be enforced by administrative actions. OMB should expand the capacity of its Intergovernmental Affairs Division to handle audit and enforcement efforts systematically.

3. OMB should establish a consultative process with national public interest groups representing state, areawide, and local government units for the preparation of administrative notes on A-95 which interpret and apply the circular to agency programs. Exceptions and modifications of the circular's provisions should take place only after formal consultation with these groups.

....2/

Changes in A-95 under the Existing Law

4. Clearinghouses should be more selective in performing A-95 reviews. But a national classification system for this purpose should not be devised. Regional diversity dictates that the ultimate determination of the type of federal grants that are important to an area's development and public services is a local issue. (This recommendation is provisional and should be re-examined in light of further discussion of OMB's concept paper.)

5. Areawide agencies serving as clearinghouses should use adopted plans and explicit programmatic tools as the framework of review activity. This approach should provide a basis for grant applicants to ascertain agency priorities and development schedules for all regionally significant projects. The understanding among federal agencies that this is the practice being followed on the areawide level will strengthen efforts to give greater force and effect to clearinghouse comments.

6. Federal agencies should prepare in simple and nonlegal terms the national objectives and agency requirements which describe agency discretion used in making funding decisions. (HUD has done this for many programs.) While these funding criteria are sometimes discussed in official regulations, they are often obscure, buried in "bureaucratese," and not clearly related to the A-95 agency role. A simple explanation of these key factors would allow clearinghouse comments to be more relevant to the statutory and funding criteria used by the agency.

   OMB should instruct federal agencies to articulate program funding criteria in this way. OMB has made initial efforts in this direction; they are well-conceived, but slow moving.

   Clearinghouses should receive from OMB a single compilation of the rules and procedures used by each federal agency for the implementation of the circular.

7. NARC will refer to its Intergovernmental Policy Committee consideration of the practice of having local governments not affiliated with the clearinghouse pay for administrative costs associated with A-95.

8. OMB should explore the use of the oversight authority vested in Inspectors General under PL 95-452 to ensure federal agency compliance with A-95 requirements.

Legislative Improvements In the Intergovernmental Decision Process

9. Provisions of Title IV of the Intergovernmental Cooperation Act (proposed in the 95th Congress) should be incorporated into legislation on federal grant reform now before Congress. This would require federal agency programs

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to conform to state and areawide development policies officially adopted by state and local officials of areawide clearinghouses, unless the federal agency's statutory mandate provides otherwise. In this context the A-95 process would assume a more significant responsibility in the intergovernmental coordination process.

10. NARC reiterates its recommendation from its long-term policies adopted by the membership related to the funding of A-95: Congress should authorize and appropriate specific monies to adequately finance A-95.

NATIONAL
ASSOCIATION
OF REGIONAL
COUNCILS

1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

October 28, 1981

Mr. David A. Stockman
Director
Office of Management and Budget
Room 252, OEOB
Washington, D.C. 20503

Dear Mr. Stockman:

The purpose of this letter is to ascertain the status of the federal intergovernmental coordination process established by OMB under Circular No. A-95.

It is our understanding that these regulations are under active review by your office as a part of the larger effort directed by the Vice President in evaluating certain existing federal administrative rules that may be burdensome and marginal in carrying out national goals and policies. In the main, we are active supporters of this regulatory reform endeavor. While we are not advocating the exemption of A-95 from such scrutiny, we are confident that the fundamental objectives of the Circular are sound and should continue. At the same time, however, we believe that this coordination process can be improved and simplified. And we support a reexamination to achieve this purpose.

Our present concern is over reports in the press and elsewhere that among the alternatives being examined is an option to terminate the A-95 process completely. Moreover, informal inquiries at OMB verify the accuracy of these reports.

We strongly urge OMB to set aside any option to terminate A-95. There are two cogent reasons for continuing the A-95 process: One is practical and the other is legal.

Of primary importance are the real and substantial benefits provided by this review and comment system. It is the embodiment of federalism. It provides the opportunity for the federal government to adhere to state, local and regional policies in administering its federal assistance programs and just as importantly, in conducting its own substantial direct development and regulatory activities.

Rather than abandon the A-95 process, OMB should consider adapting it to work in a voluntary mode. We have enough confidence in the system to support this approach and thereby avoid the argument that it is imposed on state and local communities that do not want to participate.

President
CORKY KIRKPATRICK
METRO. PORTLAND [illegible] OREGON

First Vice President
IRA JACKSON
ATLANTA REGION, GEORGIA

Second Vice President
CHARLES F. HORN
MIAMI VALLEY, OHIO

Immediate Past President
CHARLES SALEM
MARICOPA REGION, ARIZONA

Executive Director
RICHARD C. HARTMAN

We believe there is a mandate in the underlying federal law upon which the Circular reposes. NARC's legal counsel has examined this legislation, and in his view, OMB has an affirmative and non-discretionary responsibility to issue regulations implementing Title IV of the Intergovernmental Cooperation Act of 1968 (P.L. 90-577). This opinion is founded on the language in Section 401 of the Title which provides, in part, "the President shall ... establish rules and regulations governing the formulation, evaluation and review of Federal programs and projects having a significant impact on area and community development, including programs providing federal assistance to States and localities ..." (emphasis added). In accordance with the authority contained in Section 403, the responsibility for issuing such regulation has been delegated by the President to the Director of the Office of Management and Budget. (See Reorganization Plan No. 11541 of July 1, 1970; the literal language quoted from Section 401 is clear and unambiguous. It mandates the implementation of the policies and objectives established in Title IV by Congress.)

Therefore, the real question pertinent to any reexamination of the A-95 Circular is not whether these regulations shall continue but what shall be the nature of such regulations.

As you are aware, NARC has a large stake in this issue. Most of our 350 member regional councils have been designated as areawide clearinghouses under the Circular. The local elected city and county officials on the governing bodies of these agencies have found the process to be a valuable coordination tool that emcompasses all levels of government. Our members are committed to the coordination policy provided for in Title IV of the Intergovernmental Cooperation Act in some form, albeit not necessarily in the present form of A-95, if a more efficient substitute can be found.

In view of the above, please advise us on whether OMB is considering the complete termination of the A-95 Circular without a successor in interest as an option lawfully available to your Agency.

We look forward to hearing from you. Thank you.

Sincerely yours,

Corky Kirkpatrick

Corky Kirkpatrick
President

/ld

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1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

March 29, 1982

Mr. Harold Steinberg
Associate Director for Management
Office of Management and Budget
Room 238, Old Executive Office Building
Washington, D. C. 20503

Dear Hal:

Thanks for the opportunity to meet with OMB and the White House staff on revisions to the state and local review and comment process (A-95). Following are the comments on the draft discussed at that meeting:

I. Reference to Federally Sponsored Special Purpose Planning Organizations-- The OMB document refers to federal agencies supporting general purpose units of local governments by "discouraging the reauthorization or creation of federally sponsored special purpose planning groups." It cites as examples HSAs, EDDs, AAAs, etc. It is our understanding that the intent of this provision is to discourage federal agencies from supporting legislation which prescribes board requirements of such groups or sets up so-called special districts. As you know, NARC policy supports neither prescriptive board requirements nor special purpose functional planning organizations. We endorse the use of general purpose regional organizations composed of at least a majority of local elected officials. To this end, we suggest that you can achieve the intent of this provision and eliminate any misinterpretation by substituting the following language:

> Federal agencies shall support general purpose units of local governments, and their regional councils composed of at least a majority of local elected officials. Agencies should discourage the reauthorization or creation of federally sponsored special purpose planning organizations with prescribed board composition (e.g. health systems agencies, etc.)

President
CORKY KIRKPATRICK
METRO, PORTLAND REGION, OREGON

First Vice President
IRA JACKSON
ATLANTA REGION, GEORGIA

Second Vice President
CHARLES F. HORN
MIAMI VALLEY, OHIO

Immediate Past President
CHARLES SALEM
MARICOPA REGION, ARIZONA

Executive Director
RICHARD C. HARTMAN

II. Preamble--Clearing Up The Local Government Role -- As noted at the meeting Friday, NARC views the current draft as weak on local government, strong on state. We are not concerned about this emphasis on state government per se; obviously the involvement of the state in the process in an affirmative role will improve the intergovernmental coordination at all levels. But there is no assurance that each state will embrace this approach. And this raises our prime concern on the proposal. Section 401 of the Act does not place state government in the role as the exclusive arbitrator on who participates in the process. The Act and its history, as well as Section 204 of the Demonstration Cities Act of 1966, reflect that Congress requires that the policies and procedures responding to Sections 401 and 204 include a role for local governments and their regional councils. Participation is not to be derived from the assent and active involvement of the state in the process. The Act provides rights to local governments and regional agencies in the coordination process, and we will pursue this issue fully if the revision does not permit such an opportunity in the event of a negative response by a state in establishing a state/local review process. Accordingly, it is suggested that NARC propose language for a preamble which would emphasize the local role as a prominent one--as OMB had intended. Therefore, we propose the following preamble:

> Section 401 of the Intergovernmental Cooperation Act requires the President to issue regulations setting up a system for state, local governments and regional agencies to review and comment on federal programs and projects having significant impact on community development. The intent of the Act is to encourage communication and coordination among the federal, state and local levels on matters concerning federal assistance or direct federal projects.
>
> The following replaces the existing OMB Circular A-95. It is intended to simplify and improve the existing review and comment process and to provide more latitude to states and local governments in such matters. The proposal encourages states to work with their local governments to set up statewide systems for review and comment. The review and comment process is not to be viewed as an issue appropriate for exclusive executive decision-making at the state level, however. The selection of a regional review agency should be made by joint action of the state and local governments in a substate area. Moreover, where the affected local governments wish to continue using them, and if state law is not to the contrary, then existing clearinghouses should be redesignated

for review and comment purposes under the new guidance. In the event a state does not participate in this revised program, the local governments may continue to participate by endorsing the existing A-95 regional clearinghouse or substituting another regional mechanism for these purposes.

Federal agencies are required under this circular to review the comments of states and local clearinghouses under the system and to justify funding decisions that are contrary to the express wishes of the affected state and local governments.

III. Interstate Areas -- The proposed language covering interstate areas is extremely weak and unworkable. To address the special problems of interstate areas, we propose the circular include the following language:

> Since the onset of the A-95 process and its predecessor, Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, the unique status that interstate metropolitan areas have in our federal/state system has been recognized and arrangements for the designation of clearinghouse organizations having jurisdiction coincidental with the boundaries of the interstate metropolitan areas have been made. Accordingly, this revision of the circular reaffirms the designated clearinghouse agencies in such areas as has been the case in the previous revisions to the circular. For this reason, the current designation of clearinghouses in such interstate metropolitan areas shall remain in effect unless the Governors of the states within such areas, with the concurrence of the elected officials representing the local governments having at least 75% of the population within such interstate area, agree to a different arrangement.

IV. Circular or Executive Order -- NARC would prefer that the process be maintained in its traditional form -- that of an OMB Circular issued under the Administrative Procedures Act. In any event, the revision should be published in the Federal Register with a 60 day comment period. Experience with the revision process over an 18 month period has shown that there is a great deal of interest in the process at the local level. Since every level of government will be affected greatly, all should be provided an opportunity to comment. Moreover, the time that has elapsed over the revision period renders any argument of speedy revision and announcement irrelevant.

Thank you. We look forward to hearing from you on this.

Sincerely,

Corky Kirkpatrick

Corky Kirkpatrick
President

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of regional
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1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

March 30, 1982

Senator David Durenberger
Room 353 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator:

Because of your interest in OMB's proposed revision of Circular A-95, I am enclosing a copy of NARC's recent comments on the revision draft. Representatives of NARC met with Hal Steinberg and James Kelly of OMB, as well as Alan Holmer of the White House, on this issue last Friday.

As you can see from our comments, NARC is very concerned about the lack of local government participation in the proposed process. In fact, we view this omission as in direct conflict with the principles of the Intergovernmental Cooperation Act.

I look forward to working with you on fine-tuning the new process. We also continue to be interested in serving as a witness at the Intergovernmental Relations Subcomittee's hearings on this matter.

Thank you.

Sincerely,

Corky Kirkpatrick

Corky Kirkpatrick
President, NARC

Enclosure

cc: Jimmie Powell, Staff Director,
Senate Intergovernmental
Relations Subcommittee

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[illegible] Executive Director

April 28, 1982

Richard Williamson, Assistant to the President
 for Intergovernmental Affairs
Old Executive Office Building, Room 122
Washington, D.C. 20500

Dear Rich:

NARC appreciates the recent mailgram covering the proposed revisions to the review and comment process currently implemented by OMB Circular A-95. We have attempted to circulate it to our members; however, the short comment period provided will make it difficult for many of them to respond.

Enclosed you will find NARC's testimony on A-95 which was recently presented to the Senate Intergovernmental Relations Subcommittee on April 26. Attached to that statement is our March 29 letter to OMB's Hal Steinberg addressing the points we raised on A-95 at the March 26 OMB/White House/public interest groups meeting.

In as much as these two documents reiterate the concerns which we have expressed to OMB over the last several months, as well as address the draft executive order circulated via the mailgram, we are submitting them in response to your request for comments.

On the subject of the hearings, we were encouraged to hear that OMB is seriously reconsidering some of the key points articulated in their draft policy. In particular, OMB's Joe Wright said at the hearing that OMB "will have to provide for a local role" in the event a state declines to set up a state system of review and comment. We were also pleased to hear OMB recognize the inadequacy of their proposed approach for interstate areas under the revision and their offer to work with Senator Durenberger to strengthen that provision.

It should be noted that Senator Durenberger indicated that his understanding of the Intergovernmental Cooperation Act is that a review and comment role is to be provided for the "national, regional, state and local" levels of our intergovernmental system and that the process is not intended to be completely state-oriented. Moreover, we were encouraged to hear OMB agree with that interpretation. NARC has already provided OMB with suggested language to strengthen these weaknesses in the draft as you will see in the material we are supplying. In addition, we stand ready to assist OMB and the White House in working to better articulate the role that local governments and their regional councils can play in any revised process.

The issue of publishing the revised policy for public comment was also raised at the hearing. Again, we were encouraged to hear OMB agree with Senator Durenberger that the final draft product of this effort should be circulated for public comment.

Lastly, it is important to note that the National Governor's Association testified at the hearing that review and comment procedures "should provide for a local system if the state chooses not to have one...because a state is not participating should not preclude a local role." In addition, NACo and the Conference of Mayors also support a local option.

We look forward to continuing to work with you on this important issue. Thank you.

Sincerely,

Dick

Richard Hartman
Executive Director

RCH/dpw
Enclosure

cc: Senator Durenberger
James Kelly

[illegible]
**ASSOCIATION
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1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

June 8, 1982

Mr. Robert Carleson
Special Assistant to the President
for Policy Development
Room 208, Old Executive Office Building
Washington, D. C. 20503

Dear Bob:

I understand that you are working with Jim Kelly and Al Holmer on the new Intergovernmental Consultation Policy which will replace OMB Circular A-95. As you can understand, we are quite interested in this Executive Order and are very pleased to see the President will be making this statement. We, of course, have been emphasizing the importance of local government in this process in our discussions with OMB. We would hope that somewhere in the New Federalism package, the President could encourage local governments to work together through substate regional groups, although we recognize that the Administration is reluctant to mandate this.

I am enclosing some information that we have forwarded to Jim Kelly in hopes that you can support some of our suggestions.

If you have any questions, please do not hesitate to call me.

Sincerely,

Dick

Richard C. Hartman
Executive Director

RCH:S
Encl.

President
IRA JACKSON
ATLANTA REGION, GEORGIA

First Vice President
CHARLES F. HORN
MIAMI VALLEY, OHIO

Second Vice President
ROBERT R. STONE
PITTSBURGH REGION, PENNSYLVANIA

Immediate Past President
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Executive Director
RICHARD C. HARTMAN

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[illegible] Executive Director

June 1, 1982

James F. Kelly
Deputy Associate Director for
  Intergovernmental Affairs
OMB
726 Jackson Place, Room 10235
Washington, D.C. 20503

Dear Jim:

We appreciated the opportunity to meet with you Friday to go over some of the issues which we feel are extremely important to intergovernmental cooperation at all levels of government.

We share the President's goal of strengthening the partnership between federal, state and local governments. We appreciate the Administration's recognition of the important role that substate regional agencies can play as responsibilities are devolved from the federal level. As promised, I am enclosing a copy of NARC's resolution of support for New Federalism.

Relative to OMB's effort to revise the review and comment process mandated by the Intergovernmental Cooperation Act, I am enclosing specific proposals on the points we discussed during our meeting.

As we understand it, this effort has four components: (1) the executive order; (2) an accompanying fact sheet; (3) a discussion paper that will serve as the President's remarks at the time the order is signed; and (4) agency regulations to be promulgated at a later time.

Executive Order

We understand OMB's desire to keep the Executive Order tight and to the point. As we discussed, however, NARC believes that the goals of new Federalism and, indeed, the nation's understanding of the President's pursuit of a new federal/state/local partnership can be furthered by the Administration spelling out its intention that all the partners in the system work together. Specifically, a provision should be added to the Order which states:

> "DEFINE FEDERAL AGENCY ACTIONS
>
> To the extent that states, their local governments and substate regional planning organizations, if any, together develop their

> own statewide systems for review and coordination of federal plans and proposed actions by state and locally elected officials, the federal agencies shall..." (Revises point 3 of draft circulated through Williamson mailgram, dated April 16, 1982.)

This would illustrate the President's commitment to strengthening the intergovernmental partnership at the state and local levels; it would take care of the divisive in-fighting that could take place if the importance of joint decision-making is left unclear. Moreover, it would put both states and locals on notice that the President intends to assure the kind of state/local cooperation that he views as key to the success of New Federalism.

We also propose that the 4th "dot point" in the draft under "Define Federal Agency Actions" be modified as follows to clarify the interstate issue:

- Provide for the coordination of views of elected officials and their interstate regional planning organizations, if any, when a federal plan, project, or program decision has an impact on interstate metropolitan urban centers or other interstate areas.

Discussion Paper

By making these seemingly minor clarifications in the body of the Executive Order, we would move a long way.

Equally important, however, is the explanatory material which is to accompany the Executive Order. It will serve essentially to clarify any ambiguities in the Executive Order, as well as be an opportunity for the President to clarify his intent in issuing the order. It could also serve as a vehicle for the President to reaffirm his commitment to providing federal leadership that pulls together all the partners in the intergovernmental system.

To re-enforce this objective, we propose the following be included in explanatory material to accompany the Executive Order:

> "This Executive Order replaces the intergovernmental policies implemented by OMB Circular A-95, which established a national network of state and local clearinghouses for review and comment on federal programs and projects. The new procedure established under this Order is an important step in furthering the goals of New Federalism because it encourages state and local governments to work closely to form intergovernmental partnership arrangements for reviewing pending federal actions that could occur within their boundaries.
>
> The new process is intended to simplify and improve upon the existing network, by providing more latitude for states, regional planning organizations, and local governments;

it requires federal agencies, except in unusual circumstances, to follow state, regional, and local policies and planning. Most importantly, it is strongly supportive of states working with their local governments and substate regional planning organizations to design statewide mechanisms for relaying local comments to the federal agencies.

Section 401 of the Intergovernmental Cooperation Act requires the President to issue regulations providing for such intergovernmental cooperation among national, state, local and regional agencies. The Act encourages communication and coordination among all levels of government on matters concerning federal assistance or direct federal projects, and provides assurance that, to the degree practicable, federal government decisions are made in deference to state, regional and local policies.

Toward that end, it is expected that this Executive Order will result in states, regional planning organizations, and local governments working together to maintain or develop effective coordinating systems. Where existing regional clearinghouses have proven effective, state and local governments are encouraged to use these clearinghouses and adapt them to any new coordination arrangements. The concept of voluntary substate regional councils of governments as coordination mechanisms is strongly supported by this Administration.

It is also intended that all states participate in this process. Although participation is not mandated in the Order, it is strongly encouraged. In addition, it is intended that any decision on participation by a given state should be one made in conjunction with the local governments and substate regional organizations within that state. In the event that a state does not wish to maintain or establish a state-level coordination vehicle for the purposes of this Order, it should designate a lead local agency for such purposes, if it is determined that the local governments within the state wish to participate in review and comment of federal actions affecting them. Such a lead agency would be responsible for transmitting comments to federal agencies and would serve as the designated state representative in the process.

Recognizing the special problems of interstate areas, it is the intention of the Executive Order to support the existing arrangements where interstate regional planning organizations have been designated to coordinate the activities affecting such areas. Past experience has illustrated that such interstate organizations have worked well. Therefore, the use of these interstate regional mechanisms is encouraged, provided that affected states and local governments choose to continue their use."

Fact Sheet

The above points could be re-enforced in the fact sheet. For example, "dot points" along the following lines could be added:

- States, local governments and regional organizations are expected to work together to develop statewide systems for review and comment.
- It is intended that all states establish review systems, although it is not mandated.
- State and local governments are encouraged to continue to utilize existing regional coordination mechanisms which have been proven effective. Existing interstate metropolitan organizations, in particular, should be maintained and be adapted, if required by any new approach.

Regulations

Agency regulations could expand on these points, but need not be prescriptive in their guidance. They should restate the New Federalism goal of fostering increased cooperation between all levels -- national, state, local and regional, as well as restate the requirements of the Intergovernmental Cooperation Act.

Thank you. We look forward to hearing from you on this.

Sincerely,

Richard C. Hartman
Executive Director

/ld

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RICHARD C. HARTMAN, Executive Director

November 20, 1981

James F. Kelly, Deputy Associate
  Director for Intergovernmental Affairs
Office of Management and Budget
726 Jackson Place, Room 5236
Washington D.C. 20503

Dear Jim:

Thanks for inviting us to propose some general principles that might be used in the revised review and comment process. You also asked that we elaborate on the legal issues raised in NARC's letter to Mr. Stockman.

On the latter question, it is NARC's position that the President and the OMB Director by delegation have an affirmative and non-discretionary obligation to promulgate "rules and regulation" governing the administration of federal programs and projects having significant impact on community development. We come to this conclusion based on the specific language in Section 401 of the Intergovernmental Cooperation Act. It states that the President "shall" issue such rules and regulations. And because the language is clear and unambiguous, there is no need to determine the Congressional intent by examining the legislative history of the Act. If this history is examined, however, the normal and usual use of the word "shall" is affirmed.

The Conference Report on S.698 corroborates this position. It reflects that there are House and Senate views on the question of whether the President would be authorized or required to issue such regulations. The Conference Committee adopted the Senate version which mandated the issuance of the rules. (See Conference Report No. 1934, September 30, 1968).

It is anticipated that one could argue that Title IV unconstitutionally encroaches on the President's authority to manage operations of the Executive Branch as those powers are vested in him under Art.II of the Constitution. We have examined the question from this perspective and find that any such argument is fragile at best. In recent times the questions relating to this point were adjudicated in the several impoundment cases decided in the first term of President Nixon. We read these decision, to mean that the President can and must carry out the Congressional mandates of the type represented in Title IV of the Intergovernmental Cooperation Act.

One final legal point. The type of vehicle for issuing any revised review and comment process has come into question. After a cursory review of the alternatives--regulations issued under the Administrative Procedures Act or an executive order--we believe that the APA route is what was contemplated by the Act. Again, returning to the language in the statutes the term "rules and regulations" are used. While it can be argued that the exemption in the APA dealing with actions involving "public property, loans, grants, benefits and contracts" is applicable here, we believe the better view is opposite. The sweep of the review and comment approach has internal and external application; it does not simply establish a management policy for federal agencies administering grant and loan programs. Title IV and any implementing regulations respond to direct federal actions both developmental and regulatory. And as such, the use of an executive order, which usually represents discretionary judgments of the President, does not seem appropriate. (cf. United States v. New Orleans Public Service, Inc., 1977, CA5 La., 553 F2d 459).

In our opinion, if there is a need to separate the new process from the old, the result could be achieved by simply issuing a set of regulations without the A-95 label.

General Principles For A Review and Comment Process

On the issue of substantive revisions to the process, NARC does not prefer but would not object to converting the successor to A-95 into a voluntary system if that is the price to avoid a legal confrontation over its termination. But we would hope that a state failure to participate would not preclude local governments through their substate regional councils from maintaining the review and comment process for their own use if they voluntarily decide to do so. Moreover, we believe the provision of this local option is not incompatible with the Administration's deference to states as full partners in our federal system.

As a practical matter, any state that voluntarily determines not to participate would be making the election on its own behalf and that decision would not manifest the intent to preclude substate participation unless the federal policy merged the two issues. Following this approach, we believe that the federal regulations should provide that a state's decision to opt out would not prevent a voluntary decision at the substate level to participate unless there would be state legislation that prohibited such legal option. This approach also recognizes that the review and comment process is not an issue appropriate for exclusive executive decision-making at the state level. Of course, we recognize that a local substate option cannot be completely free form. To this end we suggest the following rules for guidance if a local option was pursued.

First, existing substate boundaries would be respected as long as they did not divide a metropolitan federal area.

Second, the choice over which programs to be reviewed must be the same for all the local initiative agencies in the state. This would ensure that no more than 50 sets of program review choices would be developed. This decision could be made by agreement of the local initiative review agencies or in the absence of such an agreement by OMB.

Third, the selection of the regional review agency would be by action of the local governments acting through the existing clearinghouse if that agency represented the local governments with a majority of the population in the substate area. If the agency didn't qualify on this criteria, local initiatives and agency designation would have to be by joint action of the local governments with a majority of the area's population.

Our final suggestion deals with the interstate metropolitan area problem. We suggest an approach to this dilemma during the previous informal consultation over the revision of the process; we continue to support this.

Following is the policy NARC prefers:

> "Since the onset of the A-95 process and its predecessor, Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, the unique status that interstate metropolitan areas have in our Federal/state system has been recognized and arrangements for the designation of clearinghouse organizations having jurisdiction coincidental with the boundaries of the interstate metropolitan areas have been made. Accordingly, this revision of the Circular reaffirms the designated

> clearinghouse agencies in such areas as has been the case in the previous revisions to the Circular. For this reason, the current designation of clearinghouses in such interstate metropolitan areas shall remain in effect unless the Governors of the states within such areas, with the concurrence of the elected officials representing the local governments having at least 75% of the population within such interstate area, agree to a different arrangement."

Again, thanks for this opportunity to express our views in this matter.

Sincerely,

John Bosley
Legal Counsel

JB:hn

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1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

Executive Director

July 21, 1982

Mr. David A. Stockman
Director
Office of Management and Budget
Room 252, Old Executive Office Building
Washington, D. C. 20503

Dear Mr. Stockman:

At a meeting called by your Intergovernmental Relations staff on July 15, we were provided with a copy of Executive Order 12372 entitled, "Intergovernmental Review of Federal Programs."

The purpose of this letter is to obtain clarification on certain aspects of the Order and to ascertain the nature of OMB's implementing role.

The explicit language of the Executive Order does not appear to be consistent with the provisions in Title IV of the Intergovernmental Cooperation Act of 1968 (ICA) on which the Order is based. At the same time, it is recognized that the Order is not self-executing; OMB has been delegated substantial authority in its implementing. It is recognized that any deficiencies in the Order may be rectified in the implementing regulations.

Accordingly, we would appreciate further information on OMB's interpretation of the Order and what implications its construction of the Order will have in its implementation. In particular, please advise us as to your position on the following:

1. Does the consultation provision in Section 1 apply to regional planning and coordination organizations established under state or any interlocal agreement? If the answer is in the affirmative, would such organizations be consulted in the event a state establishes a coordination system that does not involve local governments or regional planning organizations?

2. Does the consultation provision in Section 2 require the participation of "local general government and local special purpose government..." in any coordination system created by the state under the policies in the Order?

3. How will OMB define the term "local special purpose governments"?

4. Does the state process provided under Section 2 require the state to communicate the views of any local government or regional agency on a proposed federal action encompassed under the Order and specified in the state review process?

5. Is the determination of federal programs to be excluded from the state process under the authority in Section 3 (b) a joint and mutual decision on any local elected officials and state elected officials, or in the case of conflict, will state officials decisions prevail? And if the state legislature does not become involved in specifying the state system, will the governor alone make such decisions?

6. Will OMB establish policies, rules or regulations that provide the parameters for the agency regulations required in Section 5 (a)?

7. Will OMB promulgate any rules under Section 6 and, if so, how will they be distinguished from the agency rules in Section 5?

8. Section 7 authorizes OMB to revoke Circular A-95. What date or what approximated time will this authority be exercised? Will OMB terminate the Circular in accordance with the procedure in the Administrative Procedure Act? If the answer to this question is in the negative, please indicate the legal basis for the decision.

9. Will OMB implementing policies under the Order be issued under the APA?

10. If a state creates its own process prior to the issuance of any OMB implementing procedures, will OMB immediately accept the state process in lieu of the current system under OMB Circular A-95?

11. What effect will the Order have on the legislative directives on consultation required under Section 204 of the Demonstration Cities and Metropolitan Development Act?

As you know, the consultation and coordination process under Title IV of the ICA is of vital importance to our members. An early response to our inquiries will provide us with information necessary to advise our policy officials on the legal and policy implications of the Executive Order.

Thank you for your cooperation.

Sincerely,

John J. Bosley

John J. Bosley
Legal Counsel

JJB:s

National League of Cities

1301 Pennsylvania Avenue N W
Washington, D.C.
20004
(202) 626-3000
Cable: NLCITIES

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Executive Director
Alan Beals

November 16, 1981

Mr. Harold I. Steinberg
Associate Director for Management
Office of Management and Budget
Room 238, Old Executive Office
  Building
17th Street and Pennsylvania
  Avenue, N.W.
Washington, DC 20503

Dear Mr. Steinberg:

It is our understanding that the future of OMB Circular No. A-95 is now in question as a result of it being placed on the Vice President's list of regulations to be reviewed. Although we have from time to time suggested revisions in A-95, NLC has long been a supporter of the circular and we would want to see it continued.

To be frank with you, I am not surprised that the elimination of A-95 is one option being considered. On the face of it, the A-95 process appears to be a massive paper shuffle with little result. Even our own city officials occasionally complain about having to follow A-95 procedures. However, this commonly held initial impression of A-95 does not do justice to the real value of the circular.

One of the unheralded results of A-95 has been the creation of a forum in many parts of the country in which to discuss areawide problems. This has lead to the development of strategies and plans for coping with regional problems and the resolution of contradictory goals and objectives.

A-95 has also served to link local, state, and federal officials which we think has lead to better communication and coordination among the levels of governments. While we have a long way to go to perfect intergovernmental relations, A-95 is one means to that end.

Past Presidents: **Tom Bradley,** Mayor, Los Angeles, California • **Henry W. Maier,** Mayor, Milwaukee, Wisconsin • **Tom Moody,** Mayor, Columbus, Ohio • **John P. Rousakis,** Mayor, Savannah, Georgia • ***Directors:*** **Richard Arrington, Jr.,** Mayor, Birmingham, Alabama • **Stephen C. Bauer,** Executive Director, League of Oregon Cities • **Arne Boyum,** Executive Director, North Dakota League of Cities • **Charles G. Clack,** Mayor, Garland, Texas • **Malcolm Clark,** Council Member, Port Arthur, Texas • **Thomas J. Clark,** Council Member, Long Beach, California • **Joanne Collins,** Council Member, Kansas City, Missouri • **Thomas H. Cooke, Jr.,** Mayor, East Orange, New Jersey • **Willie Dell,** Councilwoman, Richmond, Virginia • **Woody Etherly, Jr.,** Council Member, Flint, Michigan • **W. Elmer George,** Executive Director, Georgia Municipal Association • **Anne Gresham,** Council Member, Grand Prairie, Texas • **Paul E. Haney,** Council Member, Rochester, New York • **George Latimer,** Mayor, St. Paul, Minnesota • **Ronald F. Lurie,** Commissioner, Las Vegas, Nevada • **Ruth W. Messinger,** Council Member, New York, New York • **Robert H. Miller,** Executive Director, South Dakota Municipal League • **Ernest N. Morial,** Mayor, New Orleans, Louisiana • **Mary Neuhauser,** Council Member, Iowa City, Iowa • **Hernan Padilla,** Mayor, San Juan, Puerto Rico • **Kenneth Payne,** Executive Director, Rhode Island League of Cities and Towns • **Donald R. Peoples,** Chief Executive, Butte, Montana • **Jayne H. Plank,** Mayor, Kensington, Maryland • **Patricia Roach,** Commissioner, Dayton, Ohio • **James T. Ryan,** Mayor, Arlington Heights, Illinois • **Arthur E. Trujillo,** Mayor, Santa Fe, New Mexico • **Fred Turnage,** Mayor, Rocky Mount, North Carolina • **John F. Watkins,** Executive Director, Alabama League of Municipalities • **Daniel K. Whitehurst,** Mayor, Fresno, California • **Don A. Zimmerman,** Executive Director, Arkansas Municipal League

The major goal of A-95 from its inception has been to alleviate duplication and overlap in the expenditure of federal funds. That goal is as worthwhile now as it was then. Without A-95, there would be no vehicle for providing information to cities about proposed projects in their regions.

We hope you will decide to keep A-95 even though it may be in need of revision. We would all like to find ways to cut down on the paperwork but that problem alone is not sufficient to sacrifice the objectives of the circular.

Sincerely,

Alan Beals
Executive Director

cc: James F. Kelly, Deputy Associate Director for Intergovernmental Affairs, OMB

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League
of
Cities

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Mayor, Indianapolis, Indiana

Executive Director
Alan Beals

April 28, 1982

The Honorable David Durenberger
United States Senate
353 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Durenberger:

I understand the record is still open on recent testimony relating to the issue of A-95. I am enclosing a copy of our response to the White House on their request for proposed changes in OMB Circular A-95. I would appreciate having this response entered as part of your record in this matter.

Thank you for your cooperation.

Sincerely,

Alan Beals
Executive Director

Enclosure

Past Presidents: Tom Bradley, Mayor, Los Angeles, California • **Henry W. Maier,** Mayor, Milwaukee, Wisconsin • **Tom Moody,** Mayor, Columbus, Ohio • **Jessie M. Rattley,** Councilwoman, Newport News, Virginia • **John P. Rousakis,** Mayor, Savannah, Georgia • **Directors: Richard Arrington, Jr.,** Mayor, Birmingham, Alabama • **Carol Bellamy,** Council President, New York, New York • **Arne Boyum,** Executive Director, North Dakota League of Cities • **Richard S. Caliguiri,** Mayor, Pittsburgh, Pennsylvania • **Malcolm Clark,** Council Member, Port Arthur, Texas • **Joanne Collins,** Council Member, Kansas City, Missouri • **Thomas H. Cooke, Jr.,** Mayor, East Orange, New Jersey • **David Cunningham,** Council Member, Los Angeles, California • **W. Elmer George,** Executive Director, Georgia Municipal Association • **Karen M. Graves,** Commissioner, Salina, Kansas • **Anne Gresham,** Council Member, Grand Prairie, Texas • **Paul E. Haney,** Council Member, Rochester, New York • **Jonathan B. Howes,** Mayor Pro Tem, Chapel Hill, North Carolina • **George M. Israel, III,** Mayor, Macon, Georgia • **Myra Jones,** Vice Mayor, Little Rock, Arkansas • **Christopher G. Lockwood,** Executive Director, Maine Municipal Association • **Bob Martinez,** Mayor, Tampa, Florida • **Robert H. Miller,** Executive Director, South Dakota Municipal League • **Jack Nelson,** Mayor, Beaverton, Oregon • **Mary Neuhauser,** Council Member, Iowa City, Iowa • **C. David Nuessen,** Mayor, Quincy, Illinois • **Hernan Padilla,** Mayor, San Juan, Puerto Rico • **Donald R. Peoples,** Chief Executive, Butte, Montana • **Martin L. Peterson,** Executive Director, Association of Idaho Cities • **Michael J. Quinn,** Executive Director, Indiana Association of Cities and Towns • **Vernon H. Ricks, Jr.,** Mayor Pro Tem, Takoma Park, Maryland • **Arthur E. Trujillo,** Mayor, Santa Fe, New Mexico • **George V. Voinovich,** Mayor, Cleveland, Ohio • **Daniel K. Whitehurst,** Mayor, Fresno, California • **Don A. Zimmerman,** Executive Director, Arkansas Municipal League.

National League of Cities

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Mayor, Indianapolis, Indiana

Executive Director
Alan Beals

April 27, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Rich:

We appreciate the opportunity to comment on your proposed changes to OMB Circular A-95. As we have stated in previous comments to both your office and to Mr. Harold Steinberg of OMB, NLC strongly supports the goals of the A-95 review process and views the need for coordination among the three levels of government in our federal system as an essential element for the effective use of scarce resources.

The current A-95 process suffers from a variety of problems in our opinion. Some of the major problems it has are as follows:

- Too great a paperwork burden.
- Too little federal response to comments by state and local governments.
- No real authority at local level to cause the federal government to change its proposed actions.
- Too many layers of review making response time too long and requiring review by unaffected parties.
- Too much preemption of local authority by quasi-public entities or state agencies.
- A lack of full information from federal agencies, or even response to local comments.
- Too many programs covered by procedure.

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- A lack of meaningful negotiations occuring within the current process.

These problems require substantial changes to the current procedures, the most important of which is to vest real clout in the opinions of state and local government. If that were the case, everyone involved with the system would commit more effort in making it a true consultation procedure.

Given these thoughts, I find that the proposal outlined in your April 16, 1982 mailgram omits steps to solve a number of these problems. It does not resolve the issue of authority to the satisfaction of cities. It does not provide a means to assure the federal government will take the procedure seriously. It does not provide for an effective reduction of the paperwork. It does not make the system more timely. And finally, it does not provide an effective means for federal, state and local officials to sit down together and design a system of consultation.

Your proposal contains only a procedure for states and cities to develop a system that would be "substantially equivalent" to a federally designed system of consultation. What is lacking are specific improvements to the A-95 system, by which states and cities might evaluate their own consultation procedures. Having 50 independent systems and expecting the federal departments to comply with them is just as ineffective as mandating a single system. Dialogue and compromise are necessary in the design of a core national consultation system that states and cities could then modify to local needs.

Without a federal system, some states could view the procedure as optional. There is nothing in your mailgram that describes what the Federal Government would do in such a case. Also there are no clear provisions that assure all affected governments will have a chance to influence decisions.

In conclusion, I recommend you greatly expand item 1 under the title "Supporting Federalism" so that cities and states can have some notion of what the federal government will do to provide "opportunities for consultation." When doing that, I suggest you keep in mind the major problems I mentioned at the beginning of this letter.

Sincerely,

Alan Beals
Executive Director

West Alabama
Planning & Development Council
TUSCALOOSA MUNICIPAL AIRPORT
TERMINAL BUILDING, 2ND FLOOR
NORTHPORT, ALABAMA 35476

(205) 345-5545

JUDGE A.A. CHANDLER
Chairman

MAYOR FRANK MANDERSON
Vice Chairman

LEWIS E. McCRAY, EXECUTIVE DIRECTOR

April 27, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
The White
Washington, D.C. 20500

Dear Mr. Williamson:

Richard C. Hartman, Executive Director of the National Association of Regional Councils, has informed me you will except comments regarding proposed changes under Office of Management and Budget Circular A-95. I shall not address each paragraph separately, but simply urge that comments from local elected officials be solicited and considered for the approval of federal programs for jurisdictions in which the elected official serves. A minimum thirty (30) day period of time for review is extremely essential. I would hope you would retain that as the minimum time of review and that the thirty days be that time in which local elected officials would have.

In the years that OMB Circular A-95 has been in effect this Regional Clearinghouse has had opportunity to point out a number of duplications to various federal agencies and in those cases has alerted the federal agency, which did not make duplicate expenditures, thus saving tax payers money. In other cases modifications have been proposed that strengthened the project and in many cases reduced some of the expenditures.

If further information is needed I shall be happy to provide it.

With warmest personal regards to you, I am

Sincerely yours,

Lewis E. McCray

Lewis E. McCray

LEM:ms

bc: Richard C. Hartman

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SALT RIVER PROJECT
P. O. BOX 1980
PHOENIX, ARIZONA 85001
(602) 273-2645

D. MICHAEL RAPPOPORT
DIRECTOR, GOVERNMENTAL AFFAIRS

February 19, 1982

Mr. Harold I. Steinberg
Associate Director for Management
Office of Management and Budget
238 Old Executive Office Building
Washington, D. C. 20503

Dear Harold:

I understand that the Office of Management and Budget is currently reviewing its Circular A-95 as a vehicle for implementing Title IV of the Intergovernmental Cooperation Act. As part of that review, some suggestions have surfaced regarding its modification or abolition.

It would be both premature and presumptuous of me to comment on either a specific proposal or the operation of the program nationally. However, it is most appropriate that I speak favorably of the program as it is administered in Arizona since it has substantially improved Salt River Project's coordination with governmental entities in this State.

Salt River Project

First authorized in 1903, the Salt River Project is comprised of the Salt River Valley Water Users Association and the Salt River Project Agricultural Improvement District. The District, a political subdivision of the State, provides electricity to approximately 345,000 residential, commercial, industrial and agricultural power users in Central Arizona. The Association, an Arizona corporation, is responsible for the administration of the water supply and water rights of the waterusers and operates and maintains the system which provides water for agricultural, domestic and industrial uses in the Project's 250,000 acre service area. In addition, the Project supplies water for municipal purposes to eight central Arizona cities and towns.

The Arizona State Clearinghouse Process

As you know, the Arizona State Clearinghouse is not federally funded, however, an important part of its success stems from indirect federal support so critical to making the federal system work. For example, the procedure depends on review by Regional Councils of Governments and other affected entities. Many of these entities would not be able to provide that review unless it were an allowable cost in federal programs. The very requirement that federally funded projects should be reviewed by those entities affected is important in itself to rational intergovernmental decisionmaking.

Two separate instances demonstrate the degree to which Salt River Project has found this process to improve intergovernmental communication, decisionmaking, and problem resolution. These examples are especially appropriate because of A-95's use nationally in giving local government more say in federal water projects.

In September, 1981, the White Mountain Apache Tribe requested $478,000 from the Economic Development Administration to expand its Canyon Day Irrigation Project and withdraw water from White River. This request was made despite already overly appropriated water rights and the pending Federal adjudication of conflicting claims. The Clearinghouse allowed these issues to be pointed out to E.D.A. prior to project funding, and also provided E.D.A. with an expert analysis of the project's cost-effectiveness.

More recently, the City of Prescott filed a Notice of Intent to apply for a loan to construct water diversion and distribution facilities without demonstrating rights to the water. As a result of communications through the Clearinghouse, negotiations for that water right have now been initiated which may well set a precedent for other water right negotiations required for Central Arizona Project exchanges to occur.

Summary

As long as the federal government continues to provide resources to state and local governments, there is an important role for A-95 Review. This Review should be both facilitative of and complementary to President Reagan's proposed transition from the current system of categorical grants to general purpose fiscal assistance. It assures continued communication when it is needed most, during a time of change.

I hope that my comments have been helpful, and please do not hesitate to let me know if I can provide additional information in their regard.

Sincerely,

D Michael Rappoport

D. Michael Rappoport

bde

cc: Governor Bruce Babbitt
Senator Dave Durenberger
Senator John Danforth
Senator Mack Mattingly
Senator Jim Sasser
Senator Sam Nunn

PIMA ASSOCIATION OF GOVERNMENTS
405 TRANSAMERICA BUILDING
TUCSON, ARIZONA 85701
792-1093

April 28, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
Government Room 87 OE OB
The White House
Washington, D.C. 20500

Dear Mr. Willaimson,

The Regional Council of the Pima Association of Governments, a voluntary association, is composed of elected representatives from the Cities of Tucson and South Tucson, the Towns of Oro Valley and Marana, and Pima County. As Chairman of the Council, I have reviewed your proposed intergovernmental policies to replace those now implemented under OMB Circular A-95. I commend the general concepts of further simplification and the consultation with elected officials of state and local governments that will be affected by federal actions.

However, I have concern regarding the following sentence. "Federal agencies shall support general purpose units of government by discouraging the reauthorization or creation of federally sponsored special purpose planning organizations." Given that the overall emphasis seems to rely heavily on state leadership and discretion, I must express concern that the existing effective intergovernmental arrangement between the state of Arizona and the councils of government could be damaged. In addition, cooperative regional planning in the areas of transportation, social services, and environmental programs could be discouraged, if not destroyed.

Discouraging the reauthorization or creation of federally sponsored special purpose planning organizations (whose boards are composed of local elected officials) does not support general purpose units of local government. Rather it undermines the laudable principle--which we believe the President upholds -- that units of government closest to their constituents, i.e., cities, town and counties, know best the needs of their constituents and the ways these needs can best be met.

As Chairman of the Regional Council of the Pima Association of Governments I urge you to reconsider your stance on this matter.

Following are expressions from two statewide organizations that support general purpose regional associations like ours:

"Recognizing the essential nature of intergovernmental cooperation, the Arizona Association of Counties . . . supports the State Regional Planning Districts whose direction and control remains in the hands of locally elected officials and continue to act as a planning and coordiation tool of local government, not a service delivery agency."

-- Excerpt from 1981 County Policy
Statement

"The League of Arizona Cities and Towns . . . supports the integrity both from a geographical and functional standpoint of the State planning districts to provide local input of a regional nature. We request that all Federal, State and other agencies and jurisdictions involved with any program affecting the various planning districts respect and utilize said districts for purposes of coordinating activities and resources. The direction and control of the COGs must remain in the hands of locally-elected officials. COGs are not to act as a substitute nor replace the present structure of local government in Arizona.

"(And it) . . . strongly endourses the existence of the local councils of governments (COGs) to further coordinate the cooperative efforts among units of local government in solving local and regional problems."

-- Excerpt from 1981 Municipal Policy
Statement

Sincerely,

Don Frew

Don Frew
Chairman
Pima Association of Governments

DF/e

State of California
GOVERNOR'S OFFICE
SACRAMENTO 95814

EDMUND G. BROWN JR.
GOVERNOR

April 30, 1982

Senator David Durenberger
353 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Durenberger:

The current proposal to replace OMB Circular A-95 (the project review and notification system) is a good opportunity to solve the significant problems in the present system. Although the proposal is vaguely worded it appears to overturn the entire A-95 process, directing each state to develop its own review system.

The proposal misses the point. Turning the review system over to the states is based on the mistaken premise that what state and local governments want most is greater flexibility in dealing with grant applications. In reality, the problem most often cited by state and local governments is the failure of federal agencies to adequately consider their comments. The following recommendations are based on our experience in intergovernmental coordination including operation of the nation's largest state A-95 clearinghouse. Briefly, we recommend that the proposed A-95 replacement:

- Compel federal agencies to seriously consider the recommendations of areawide and state clearinghouses.
- Establish a process for clearinghouses to appeal the actions of federal agencies making grant and loan awards.
- Retain the procedures of Circular A-95 Part II for state and local review of federal environmental documents.
- Specify the role of regional councils of government in the consultation process.
- Publish an annual schedule of grant competitions and enclose state prepared advice to applicants in federalgrant application packages.

State and Local Government's Role in Federal Decisions

The replacement to Circular A-95 must emphasize the purposes of intergovernmental consultation:

- avoid unnecessary duplication in program funding
- promote joint participation in projects
- share information on capacity and past performance of grant applicants

State and local comments on grant applications can and do provide valuable information to federal funding agencies. The state and areawide clearinghouses are uniquely positioned to know when a proposed federal project conflicts with activities of other federal agenices or with state and local programs.

Federal agencies have not consistently used state and local comments to fulfill these objectives. Too often, federal agencies fail to consider or respond to state and local government comments prepared through the present Circular A-95 consultation process. The proposal to replace Circular A-95 does not respond to the long history of frustration felt by local and state A-95 clearinghouses with federal agency indifference to intergovernmental consultation.

A formal appeals process would provide state and local governments a forum to express their concerns with proposed actions and to allow scrutiny of federal agencies that ignore consultation requirements. We recommend that you consider using the existing Federal Regional Councils to hear state and local appeals of federal grant decisions. This would provide an incentive for federal agencies to give more weight to state and local comments, and relies on an organization that is already well-established.

Direct Federal Development Projects

Part Two of Circular A-95 directs federal agencies to use the clearinghouse process for consultation with state and local governments when they directly - rather than through a grant or loan - undertake a development project. The clearinghouse system works well to coordinate review of federal environmental documents.

The proposed A-95 replacement is silent with regard to direct federal development projects. To avoid confusion, the policy initiative should embody at least the essence of A-95 Part Two. In addition, we recommend that the A-95 replacement strongly encourage federal agencies to enter into Memoranda of Understanding with states to establish specific procedures for consultation and review of direct development projects.

California has such Memoranda of Understanding with the Bureau of Land Management and with the Department of the Air Force. These MOU's reduce confusion and promote cooperation in long-term projects involving considerable federal expenditures. Major benefits would accrue from similar agreements with the U.S. Forest Service, other branches of the Department of Defense, other units of the Department of the Interior, and the General Services Administration. The proposed A-95 replacement should strongly urge federal agencies to enter into cooperative agreements with states.

Councils of Government

Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 specifies that applicants for federal assistance shall consult with areawide planning agencies (i.e. councils of governments or COGs). The proposed A-95 replacement makes no reference to these councils. Because this is a statutory role for COGs, the federal government cannot delegate to the state the decision of whether to involve councils or government. Therefore, the policy initiative must clearly and explicitly recognize their role as areawide clearinghouses.

Implementing the New System

Our experience is that grant applicants turn first to federal agencies for information on the application and review process. The proposed A-95 replacement would promote better communication between grant applicants and governmental agencies involved in the consultation process if it required:

1. the OMB to publish an annual schedule of federal agency grant competition time frames, and
2. Federal agencies to enclose State prepared review criteria and related information in the application packages sent to grant applicants.

A schedule of application deadlines would allow states and local agencies to prepare review criteria and background materials in a timely manner. The materials we suggest allowing states to include in the federal agencies' application package would help applicants respond more effectively in the short time periods afforded for intergovernmental consultation.

Conclusions

The proposed A-95 replacement should emphasize the savings and increased program performance made possible by effective intergovernmental consultation. State and local agencies should have an opportunity to appeal federal agency decisions that do not adequately consider their comments. The Federal Regional Councils may be effective appellate bodies. The proposal should explicitly establish a full partnership for councils of government in the consultation process. The present Circular A-95's successful guidance for direct federal development should continue and the proposal should encourage Memoranda of Understanding between states and federal agencies. The proposal should also require a schedule of grant competitions and allow states to enclose review criteria in federal grant application packages.

Thank you for this opportunity to comment. If you have questions or would like to discuss these comments, please feel free to call me at 916/322-2318 or Steve Williamson, the Director of the California State Clearinghouse at 916/322-4245.

Sincerely,

Deni Greene
Director

cc: California Areawide Clearinghouse
Western Federal Regional Council

ABAG
Association of Bay Area Governments
Hotel Claremont · Berkeley, California 94705 · (415) 841-9730

July 23, 1981

Hon. Alan Cranston
U.S. Senate
Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

We note with immense concern that the Administration has proposed exemption of the HUD Community Development Block Grant Program from Areawide A-95 Notification and Review. We counsel against the recommended exemption because it would:

- o Exacerbate the nation's housing crisis by removing, in effect, regional housing need from consideration in local governments' housing action and community development programs;

- o Shut off an avenue that neighborhood, seniors, handicapped, and civil rights groups have used effectively to help ensure that fair housing and other important national concerns are safeguarded;

- o Eliminate a proven forum for conflict resolution and compromise. Councils of local governments sometimes need to act as an important buffer between federal bureaucrats, state, city, and county governments and concerned citizens;

- o Be a slap in the face of cities and counties that have established policies to deal with issues that cut across their boundaries--issues such as relocation and displacement of low and moderate income people, seniors, and the handicapped; discrimination in housing; affordability of rental and ownership housing; and unduly restrictive land use controls which diminish the supply and density of sites capable of supporting housing;

- o Leave cities and counties at the beck and call of the states for administration of certain aspects of the program. Although very often well-intentioned, state administrators tend to be less aware of the day-to-day operations of the city and county CDBG and housing programs. Many COGs have worked with cities and counties in defining and putting into effect these programs since the program's inception seven years ago. The states for the most part would be newcomers to the process.

Representing City and County Governments in the San Francisco Bay Area

We've attached by way of partial support for our remarks the results of a HUD-sponsored research project that evaluated the CDBG Program and the efficacy of the role played by councils of governments. We hope you find the results instructive.

Again, we urge that the CDBG Program not be exempted from Areawide A-95 review. Thank you for hearing our plea.

Sincerely,

Revan A.F. Tranter

Revan A. F. Tranter
Executive Director

Enclosure: Urban Impact Review Report

ABAG
Association of Bay Area Governments
Hotel Claremont • Berkeley, California 94705 • (415) 841-9730

September 10, 1981

Honorable David Durenberger
Senator
353 Russell State Office Building
Washington, D.C. 20510

Dear Senator Durenberger:

I am forwarding information that may prove useful in the upcoming hearings as they pertain to the A-95 process and councils of local governments.

Thank you for giving this information your complete consideration.

Sincerely,

Revan A.F. Tranter
Executive Director

Representing City and County Governments in the San Francisco Bay Area

October 10, 1980

RESPONSE OF CALIFORNIA COMMITTEE OF REGIONAL COUNCIL DIRECTORS TO "CONCEPTUAL OUTLINE OF PROPOSED REVISIONS TO OMB CIRCULAR A-95"

Introduction

The memorandum that follows presents the shared views of California's Councils of Governments on the "Conceptual Outline of Proposed Revisions to OMB Circular A-95." It is not meant to exclude more detailed responses from the individual COGs represented.

Overview

In general, we applaud the effort and wish to extend our congratulations to the staff of OMB for this important first step to address comprehensively many long-standing deficiencies in a function whose importance has grown steadily since its limited beginnings over a decade ago. We agree with the Outline's assessment that A-95 is a worthwhile process that should be given a fair chance to succeed. Accordingly, we present our comments in that same spirit of optimism. In our remarks, we underscore our support of key themes in the Outline, while identifying constructively, we hope, aspects of the Outline in need of refinement or re-examination.

The Areawide Planning Coordination Organization (APCO)

We see the need for, and strongly support the concept of a single organization being responsible for coordination of Federally sponsored planning activities. We feel the Outline is correct when it points up the inefficiency, duplication and waste of the present diffused state of affairs in which single purpose agencies all too often work independently and at cross purposes with one another.

Accordingly, we support the APCO designation criteria that speak in terms of existing comprehensive planning agencies composed of local elected officials. We feel the criteria should be strengthened to require the State to designate existing A-95 agencies, except where they do not meet the criteria. At the very least, the criteria should place a burden of proof on the State attempting to designate an agency other than an existing A-95 agency that comports with the criteria. Also, we feel that the criteria should be worded so as to minimize subjective value judgments and to require objective indices, such as that the APCO shall be the organization that has received the largest number of lead agency designations for planning work; e.g., Section 208 (Federal Water Pollution Control Act), HUD Areawide Planning Organization (including an AHOP), Metropolitan Planning Organization and region transportation planning; Section 175 (Clean Air Act), A-95 and Resource Conservation and Recovery Act-Regional Solid Waste Planning Agency. For metropolitan areas, the criteria should also require that the APCO's planning jurisdiction comprise sufficient territory to represent the urbanized and urbanizing areas within the next 20 years (including consolidated metropolitan statistical areas). Finally, we feel that OMB should identify incentives for the Governor to make the APCO designation. These may include streamlined Federal processing of Federally required plans and/or some system of bonus points.

Non-proliferation

We support this concept of assigning to the APCO any new areawide single purpose planning functions. We respectfully take issue with the Outline's tacit assumption that economic development planning would not be within the domain of the metropolitan councils of governments but only the non-metropolitan COGs. The Economic Development Administration's planning programs grants have begun to recognize the metropolitan role in economic development planning. Clearly, the land use and housing element work that metropolitan COGs have done under the HUD 701 program for many years provides a strong base for more thorough economic development planning and programming of a metropolitan nature. No one denies the multijurisdictional nature of the impacts (e.g. tax base, unemployment and underemployment, air quality, energy demand and housing prices, to name a few) of economic development that occurs in a given region. To limit economic development planning and programming to City-level Overall Economic Development Programs (OEDP's) that often show little awareness of even other cities' OEDP's is an error. Certainly, the local and non-metropolitan agency planning role is important but so is the metropolitan one.

Sunset Review

We welcome this mechanism to provide for greater accountability in the public sector. Sunset Review can also help ensure the integrity of the A-95 functions spelled out in the Outline. We would like to know early on, however, what standards will be used in conducting the Sunset Review so that our self-policing is responsive to Federal as well as local expectations. With OMB, we would like to participate in the definition of the standards and procedures for Sunset Review. For example, we recommend that a more demanding burden of proof or presumption be applied in the review of agencies that do not meet APCO designation criteria. We feel similarly about the periodic (annual?) A-95 evaluation by OMB that the Outline proposes. We urge that these evaluations build upon the internal evaluations done by the APCOs.

Multi-year and Annual Programs/Strategies

As many of us now do this within varying degrees of functional scope, we acknowledge the importance and appreciate the Outline's recognition of this function as falling within the ambit of the APCO. Most definitely, such programming should be more closely linked to comprehensive planning. And yes, project funding decisions should be consistent with these plan-based multifunctional programs. However, we fear that carrying out this proposed course of action will be far more difficult than enunciating it. In this vein, it is our view that the onus is on OMB's shoulders. OMB must redouble its efforts with Federal agencies to achieve the end sought. OMB's objectives should include a review and redraft of the regulations that implement each applicable Federal program. This is so that the Federal program director in a given region and her/his staff feel confident that they are clearly authorized to make funding decisions consistent with this purpose. Several of us are attempting to quantify the cost of the multi-functional programming as proposed in the Outline versus the cost as presently performed. Our preliminary analyses suggest that it can be performed more economically as proposed in the Outline. The Outline should also explain how the integrated functional programming would be performed and/or coordinated by the APCO when State legislation funds and assigns the function to other agencies. In sum, we welcome the challenge but are skeptical that it will be implemented on a Federal level.

Compliance

You've heard us complain enough for so many years about Federal agency non-compliance with both the procedural and substantive aspects of Circular A-95 to know that we staunchly support the Outline's proposed compliance mechanisms of: grant suspension, provisional grant awards, inclusion within agency audits and Federal program directors' annual performance reviews of an A-95 "responsiveness" criterion. We do request more information, however, on how the various mechanisms would work, e.g., how would clearinghouses/APCOs be involved; when and, in what form, would information be released; will funds be released only partially until compliance has been achieved; who pays for the audit? Also, we feel that the Outline should extend the same courtesy to the areawides as it does the State Clearinghouses with respect to the standard for determining whether the dispute has been satisfactorily resolved i.e. mutual satisfaction and not unilaterally (that of the Federal funding agency). Presently, we have the option of appealing an adverse decision to the Western Federal Regional Council. This option is not mentioned in the Outline nor, in general, is the conflict resolution role of the FRC (e.g. mediation and/or arbitration of disputes involving more than one Federal agency). We feel the Outline should address the above and explain more thoroughly the FRC's role. Once again, we must urge that OMB ensure that the compliance mechanisms are reflected in applicable Federal program regulations.

Purposes

We appreciate the Outline's continuing the Circular's time-honored emphasis on sensitivity to local and regional concerns. Since many of our policies support the National Urban Policy Objectives and the legislative intent behind NEPA and the Civil Rights Act, we see no major obstacles to the Outline's acknowledging these principles as additional acceptable subject matter for clearinghouse comments. We want to make clear however, that the Outline's proposed expansion of Purposes to include formally clearinghouse/APCO identification of a) plans' and projects' conflicts with a variety of Federal statutes and b) the waste and duplication associated with a Federal funding request is not without its problems. To minimize political difficulties on a local and areawide level (you will recall, of course, that many councils of governments are voluntary associations) we suggests that OMB include a kind of "hold harmless" provision to ensure that clearinghouse that are not afraid to make non-parochial decisions do not lose money for their region in so doing. "Wasteful funds" that the clearinghouse identifies should be recycled to other worthwhile projects suggested by either the jurisdiction in question or other member jurisdictions. We feel that the FRCs should assist in identifying conflicts with various Federal statutes for regionally significant project reviews.

Scope of Program Coverage

We are a bit leary of the extra paperwork involved in the proposal to expand A-95 to include all TC1082 programs; but we welcome the prospect of uniform, more detailed project data through the FAADS mechanism. We'd like to know if this system will provide annual reports in addition to the periodic reports, and whether these will indicate the levels of funding received by private foundations. Also, the Outline should make clear that areawides as well as State clearinghouses will automatically be informed within 7 days of the grant award of the action taken on projects/plans that the areawide clearinghouse substantively commented on. We are critical of the Outline's vague reference to increasing the thresholds for A-95 review of certain programs. Neither the thresholds nor the programs affected are identified. Since different clearinghouses place emphases on different programs for review, we feel strongly that the clearinghouses within each Federal Region be the ones to decide together what programs and which thresholds should be increased or decreased.

State Plan Reviews

We endorse the proposal to streamline Federal requirements for State plans. We support the suggestion that these documents, which now read more as work programs of value only to the agency preparing the document, be made more relevant to local and areawide planning and programming. In this vein, we agree that clearinghouses be involved early in the plan development process. Opportunities to make plan changes more responsive to local concerns are more plentiful in the gestation stage as opposed to the 45 day post facto review stage. The California State Clearinghouse supports the early involvement. Such plans could include one to three year budget summaries tied to long range local, areawide and State planning.

Memoranda of Understanding

We are able and ready to enter into MOUs with Federal agencies in addition to those we now have with areawide functional planning agencies. However, if these documents are to become more than perfunctory, it behooves OMB to a) ensure that Federal regulations reflect the expanded role envisioned for these documents and b) monitor the MOU's effectiveness. The regulations should make clear that single purpose areawide agencies are to be reimbursed from the appropriate Federal agencies for costs incurred with the APCO/clearinghouse for contracted work.

Funding

We applaud the Outline's recognition of the dire need for expanded and continuing funding by all Federal agencies for A-95. As you know, clearinghouses now perform notification and review of projects and plans of Federal agencies (e.g. Department of Health & Human Services) which make no financial contribution to the clearinghouse for A-95, comprehensive planning or other functions. We are of course, disappointed that no new funding is proposed. The long term cost savings of the consolidated approaches to planning, programming and review called for by the Outline apparently are clear only to us. We reiterate our willingness locally to contribute to the costs. The Outline should strongly urge State level funding. Necessarily, we flatly reject any notion of equivalent or even substantial local matching funds. We don't need to reiterate for you the fiscal strictures that have been imposed on California communities by Propositions 13 and 4, or the similar limitations in many other parts of the country. We urge that the funding discussion in the Outline be reworked to identify the numerous APCO functions proposed. The discussion now is limited in large measure to the logistical and substantive aspects of project reviews. It fails to recognize the costs associated with the multi-year and annual programming; State, areawide and local plan reviews; MOU execution with areawide, State and Federal agencies; citizen participation and conflict negotiation; cumulative project analysis and review; data storage costs of expanding A-95 program coverage to include TC1082; review of annual performance reports; expanded Federal development project reviews e.g. GSA, US Postal Service actions, licensing and permit activity; integrated OWP preparation; identification of waste and conflicts with Federal statutes and participation in A-95 effectiveness monitoring. Also, we feel that clearinghouses should help determine the amount of funds that will be allocated to support clearinghouse functions.

Finally, we feel that the Outline should recognize the legitimacy and help ensure enforcement of local approaches to cost reimbursement, e.g. via review fees for applicants that do not contribute to clearinghouse costs via dues payment (e.g. non-members).

As we've indicated before, presumably OMB will ensure that even the modest funding realignment proposed by the Outline will be reflected in Federal regulations. As you know, certain agencies (e.g. EPA) specifically preclude use of certain planning funds (e.g. 208) for A-95 review, and even related tasks which the agency requires (Section 201 project review, Section 175 and Section 316 reviews).

In sum, the Outline offers a sound framework for strengthening the Circular. Refinements, like those we've suggested, are necessary. It's an important beginning, though, and in the same spirit of cooperation that our remarks here are conveyed, we look forward to revised language for the Circular that you will be proposing in the near future.

ABAG
Association of Bay Area Governments
Hotel Claremont • Berkeley, California 94705 • (415) 841-9730

April 30, 1982

Hon. David Durenberger
U.S. Senate
353 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Durenberger:

The Administration's proposed replacement of Office of Management and Budget Circular A-95 with what appears to be a review and comment system to be implemented at the option of the states is most distressing--particularly to those of us who believe that decisions are better made locally than in State Capitols and in Washington. The Administration now appears determined to implement the change in the A-95 system by executive order and not allow local governments adequate opportunity to comment despite past assurances that adequate review would be allowed. I strongly urge you and members of the Senate Intergovernmental Relations Subcommittee to take whatever steps are appropriate to assure that the advantages of the existing A-95 system are preserved. The ostensible furtherance of the New Federalism embodied in this proposal cannot be demonstrated in fact--since it takes away from local governments what they already have and allows the states to choose whether local officials will continue to be able to review and comment on federal grants.

As an active, lifelong Republican and as a strong supporter of the A-95 review process, I cannot support the Administration's proposal. It would permit California to ignore the views of local elected officials who wish to comment on federal funding applications. This review-and-comment role is assigned by federal law and cannot be made optional by an administrative action. Congress should act firmly to reject this aspect of the Administration's proposal.

Direct federal development such as military bases and off-shore energy developments should continue to be subject to review by affected local governments. The proposed policy fails to address this issue clearly.

Confusing language regarding "federally sponsored special purpose planning organizations" should be rewritten. Far more preferable would be a statement that the federal government will support comprehensive planning agencies composed of general purpose units of local governments.

(more)

Representing City and County Governments in the San Francisco Bay Area

Those provisions directed towards assuring that federal agencies will respect and accommodate views of states and local governments should be supported. These changes would greatly improve the existing A-95 system, which has worked well and should be made to work better, not made an option for the states.

ABAG most strongly urges Congress to ask the Administration to make substantial revisions in its proposed A-95 system to protect local governments' ability to work with the federal government without having to depend on state action.

Sincerely,

Joseph P Bort

Joseph P. Bort
Vice President; and Chairman, Regional Planning Committee
Supervisor, Alameda County

cc: Richard Williamson, Assistant to the President
Richard C. Hartman, National Association of Regional Councils

OFFICE OF THE
CITY CLERK

TELEPHONE
(714) 440-1776

CITY OF EL CAJON

November 20, 1981

Mr. Dave Stockman
Office of Management and Budget
Washington, D.C. 20504

Dear Mr. Stockman,

The El Cajon City Council by unanimous vote at its November 17, 1981, meeting asked me to transmit to you their views about the state administration of federal block grant and revenue sharing funds.

The Omnibus Budget Reconciliation Act of 1981 transferring the administration of these programs to the states raised a critical issue: the extent to which local government will participate in determining policy and allocation formulas, setting priorities, administration, coordination, and evaluation of federally funded programs now under control by the state.

With respect to block grants, the federal regulations make no mention of participation of cities or councils of governments.

Also, OMB Circular A-95, which is the only formal mechanism for local government oversight of federally funded programs in their region, is presently under review by the Federal Office of Management and Budget. It may be eliminated altogether. If it is retained, it may become effective solely at the discretion of the state.

California has passed a bill which deals with state administration of block grants and created a block grant advisory task force. There was no provision for city participation.

Our Council believes it is critical that local governments and their voluntary regional councils should participate in policy making, allocation formulas, priority setting, evaluation, and, where appropriate, administration of federal and state funded programs which affect their particular region.

Also, the federal government should retain OMB Circular A-95 and encourage states to use this process for local government review of federal and state funded programs affecting their region.

200 EAST MAIN STREET • EL CAJON, CALIFORNIA 92020

The Council is also expressing its concern to the California State Legislature in this matter.

The local governments are in a front-line position to determine local needs that can be answered by judicious application to these vitally needed federal funds. Their track record regarding use of these funds has been good in the past and they should have a role in the new administration of these funds.

Very truly yours,

CITY OF EL CAJON

Mildred R. Kennel

(Mrs.) Mildred R. Kennel
City Clerk

MRK:hs:pb

ambag
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS
MAIL ADDRESS: P.O. BOX 190, MONTEREY, CALIFORNIA 93942 • TELEPHONE (408) 624-2117
OFFICE LOCATION: 23845 HOLMAN HIGHWAY, SUITE 227

June 9, 1982

Senator David Durenberger, Chairman
Senate Intergovernmental Relations
Subcommittee
Room 507 Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510

Dear Senator Durenberger:

On behalf of the Board of Directors of the Association of Monterey Bay Area Governments (AMBAG), I wish to express their concern about the proposed replacement for the intergovernmental procedures now implemented pursuant to the Office of Management and Budget (OMB) Circular A-95. In our view the project review and notification system prescribed in OMB Circular A-95 has provided an extremely useful and low-cost service to the Federal Government by utilizing the regional councils of government that link together local governments throughout the United States. By carrying out this clearinghouse function, regional councils have developed a source of information and critical comments that otherwise would have been unavailable.

We would like to make the following recommendations concerning the Administration's proposal now under consideration by your Subcommittee:

1. Since Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 stiuplates that applicants for federal assistance consult with areawide planning agencies such as AMBAG, we feel that the revised policy should require the states to incorporate in their procedures an explicit role for local governments and regional councils.

2. Local governments should have the option of establishing their own A-95 review system if a state fails to act.

3. The federal government should retain responsibility for A-95 coordination with local governments regarding direct federal actions at the local level including development and/or grants. This is critical in areas like California where federal landholding and activity have major impacts on local governments.

4. OMB should monitor the compliance of federal agencies with A-95. If there has been major failure in the process in the past it has been a lack of compliance on the part of federal agencies.

5. The federal government should assure support for general purpose govern-

Member Agencies: Counties of Monterey and Santa Cruz, Cities of Capitola, Carmel, Del Rey Oaks, Gonzales, Greenfield, Marina, Monterey, Salinas, Sand City, Santa Cruz, Scotts Valley, Seaside, Soledad, Watsonville. Associate Member: Fort Ord

ment and councils of government (representing general purpose governments) by discouraging single purpose planning organizations.

It is our hope that your hearings will result in a more detailed proposal reflecting the intent of Congress that local and regional participation must be provided in the A-95 process.

Further, we recommend that the revised procedure be circulated by OMB for public comment prior to final approval.

We do applaud OMB's efforts to improve the existing process. On the other hand, the only mechanism available for alerting state, local and federal agencies to areas of needed coordination and possible duplication should not be transferred to the states without more specific guidelines.

Please make these comments a part of the hearing record of the April 26 hearing on OMB Circular A-95.

Sincerely,

D Dan Forbus

D. Dan Forbus
President

DDF:vbd

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MIDDLETOWN, VA. 22645

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DAVID STUCKMAN DIRECTOR, OFFICE OF MANAGEMENT
AND BUDGET
17TH AND PENNSYLVANIA AVE NORTHWEST
WASHINGTON DC 20503

WE URGE YOU TO SUPPORT CONTINUED OPERATION OF THE A-95 PROCESS. SCAG'S A-95 PROCESS HAS IDENTIFIED $10 MILLION WORTH OF DUPLICATIVE PROJECTS OVER THE PAST THREE YEARS ALONE. THIS SAVINGS IS 40 TIMES GREATER THAN THE OPERATING COST OF SCAG'S A-95 PROGRAM FOR THE SAME PERIOD. IN A REGION AS LARGE AND COMPLEX AS OURS, THERE MUST BE A MECHANISM THROUGH WHICH LOCAL GOVERNMENTS EVALUATE THE IMPACT OF FEDERAL ASSISTANCE AND DEVELOPEMENT PROJECTS. IT IS NOT ENOUGH TO TRANSFORM A-95 INTO A DISCRETIONARY FUNCTION OF THE STATE EXECUTIVE BRANCH. EFFECTIVE REVIEWS SUCH AS THOSE INDICATED ABOVE CANNOT BE DISCRETIONARY IT MUST INVOLVE LOCAL GOVERNMENTS

INCERELY
OBERT O TOWNSEND, SUPERVISOR, SAN BERNARDINO COUNTY, PRESIDENT, SCAG'S
BRUCE NESTANDE, SUPERVISOR, ORANGE COUNTY
KAY CENICEROS, SUPERVISOR, RIVERSIDE COUNTY
NORTON YOUNGLOVE, SUPERVISOR, RIVERSIDE COUNTY
JAMES R DOUGHERTY, SUPERVISOR, VENTURA COUNTY
EDWIN A JONES, SUPERVISOR, VENTURA COUNTY
ELEANOR COHEN, MAYOR, CITY OF CLAREMONT
REGENA ZOKOSKY, COUNCILWOMAN, CITY OF INDIO
JOHN MELTON, MAYOR, CITY OF SANTA PAULA
NAOMI FEAGAN, COUNCILWOMAN, CITY OF NORCO

SOUTHERN CALIFORNIA ASSOCIATIONS OF GOVERNMENTS ATTN DIANE GEGALA
600 SOUTH COMMONWEALTH AVE SUITE 1000
LOS ANGELES CA 90005

19:48 EST

MGMCOMP

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

SCAG
SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
600 South Commonwealth Avenue • Suite 1000 • Los Angeles • California • 90005 • 213/385-1000

April 27, 1982

The Honorable David Durenberger
United States Senator
353 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator,

I am extremely grateful that you have decided to hold hearings on the Administration's proposed A-95 review policy. For almost two years, OMB has been discussing changes to the Circular. Now, abruptly, I am told that a decision is imminent without knowing whether there will be a formal public comment period. Since your hearing provides the only available avenue to register our concerns, I sincerely appreciate the opportunity to comment. Please enter this letter in the hearing record.

That this policy may be issued without consulting state and local elected officials is very troubling; especially since previous statements by OMB indicated that there would, at least, be a limited opportunity to comment. After two years of moving very slowly towards a decision, it's very difficult to understand the immediacy to act now, foregoing consultation.

As to the substance, I'd offer the following observations:

1) Since the proposed Executive Order makes the existence of areawide clearinghouses dependent on the actions of the states, the policy may lead to the elimination of A-95 at the local level. This would be ironic given the present trend to decentralize decision making. SCAG is not opposed to a strong state role; in fact, we may benefit from it. However, city and county elected officials, working through areawide agencies, should have the option of establishing their own clearinghouses if agreement can't be reached with the state.

2) The policy should directly address whether direct federal development will be subject to review by state and local elected officials. At a time when the Administration is undertaking highly controversial development projects (e.g. on-and off-shore energy exploration) in this region, it would be highly inappropriate to limit opportunities to comment or restrict the types of development subject to review.

continuing...

3) The language regarding "federally sponsored special purpose planning organizations" is extremely confusing. This confusion could be eliminated with a statement supporting general purpose units of local governments and comprehensive regional planning agencies composed of a majority of local elected officials.

4) The provision regarding federal agency implementation of state and local comments may reflect a change in federal policy which would strengthen the role of OMB in overseeing the actions of the agencies providing federal assistance. If so, we are encouraged by this wording. Federal implementation of A-95 has been uneven in the past, and is unlikely to improve unless OMB assumes a stronger role.

As President of SCAG's Executive Committee, which makes A-95 decisions on a monthly basis, I am convinced that the A-95 clearinghouse plays a meaningful role in coordinating the flow of federal assistance into a region which includes six counties, 150 cities, and countless agencies who are eligible for federal funds. Since the proposed Executive Order casts doubt on the future of areawide clearinghouses, it is inappropriate to implement this decision without consulting with state and local elected officials. Historically, A-95 has provided the means to coordinate federal funding and development decisions with state, regional and local policies and programs. The process has worked well. While SCAG supports changes to improve A-95, we are opposed to weakening the areawide clearinghouse role.

Yours truly,

ROBERT O. TOWNSEND
President
Southern California Association
of Governments

ROT:nsc

600 South Commonwealth Avenue • Suite 1000 • Los Angeles • California • 90005 • 213/385-1000

bcc: Ms. Lei Gainer, Federal Liaison, NARC

BOARD OF SUPERVISORS

JOSEPH P. BORT
SUPERVISOR FOURTH DISTRICT

October 30, 1981

Mr. David Stockman, Director
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Stockman:

As a lifelong Republican and Alameda County Supervisor since 1967, I am extremely distressed to learn that during its second round of Federal regulation-cutting, OMB is considering the elimination of the A-95 review system. I speak from a position of first-hand knowledge and experience and with the merits of A-95 since I have served for more than 15 years as an Executive Board member of the Association of Bay Area Governments in the San Francisco Bay Area. Also, as a member of the National Association of Regional Councils' Board of Directors, I am aware of the value placed on A-95 not just in the Bay Area but nation-wide. It is evident that many more problems common to cities and counties can be solved by cooperating with councils of local government than by dictating answers from the state and federal levels. I have always been a strong advocate of councils of governments because I think it is the best way to have local control--and the A-95 review system has been one avenue that has afforded this to us.

About a year ago, OMB issued an outline of proposed revisions to Circular A-95. California councils of government applauded this overdue effort to address many long-standing deficiencies in the function. Most importantly, we viewed OMB's stance as one which provided a new comprehensive direction to A-95. One of the principal revisions proposed in the concept paper dealt with linking single-purpose planning programs to multi-purpose planning programs. In my opinion, this would be a healthy improvement to the present system of unconnected Federal grants and programs.

Our states and our councils of locally-elected officials must be given more control over the A-95 process, including review of grant applications and direct federal development activities. I hope you will stand firmly behind an improved A-95 system. It would be a grave irony if a Republican administration were to weaken local control.

Sincerely,

Joseph P. Bort
CHAIRMAN

COUNTY OF SAN DIEGO
CHIEF ADMINISTRATIVE OFFICE
1600 PACIFIC HIGHWAY • SAN DIEGO, CALIFORNIA 92101
TELEPHONE (714) 236-2722

CLIFFORD W. GRAVES
CHIEF ADMINISTRATIVE OFFICER

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March 24, 1981

Mr. Richard Williamson
Assistant to the President
for Intergovernmental Affairs
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D. C. 20500

Dear Rich:

San Diego County is concerned about what appears to be a significant inconsistency between the Reagan Administration's policy statements on the roles of the Federal, State and local governments, and the Federal Office of Management and Budget's (OMB) Proposed Revisions to Circular A-95.

President Reagan stated in his inaugural address and on several other occasions that one of the goals of his administration is to strengthen the home rule powers of the states and general purpose governments. The President proposed to do this by emphasizing the block grant structure for federal assistance to general purpose government, and by reducing to a minimum the federally-imposed constraints on the use of such funds. Further, the President indicated that his Administration intends to simplify federal processes, rules and regulations so that state and local officials have greater flexibility in resolving the problems and building the economic strength of their respective jurisdictions.

San Diego County strongly supports the President's policies on this issue. We believe, however, that the proposed revisions to the OMB Circular A-95 which were released in August, 1980 and presented by OMB at the recent National Association of Counties (NACO) Conference in Washington, D.C., are contradictory to the President's policies.

Over the last decade, the A-95 process has gone far beyond its original purpose--regional grant review and voluntary cooperative planning. In its present form, A-95 requires a long and cumbersome process: it truly does need revamping. However, the revisions being proposed by OMB do not simplify the process. On the contrary, the proposed revisions go further beyond the original A-95 concept, to the point that this County and NACO consider them to be a direct encroachment to the legal duties and responsibilities of local elected officials.

In particular, we believe that the following concepts embodied in the A-95 revisions are in direct conflict with President Reagan's goal:

1. The OMB proposal provides an expanded role for areawide planning organizations (APCOs) beyond that of cooperative planning and federal grant review. Specifically, the OMB proposal expands the APCO role to include authority over project implementation, monitoring and evaluation, and a direct ability to deny a local agency's grant application if it is inconsistent with the APCO's plans and policies. Such an expansion of APCO authority will not provide simplification of our existing processes! Rather it will add another layer of government and another layer of governmental regulation that local agencies and private enterprise will have to adhere to. The process of project design to implementation can only be prolonged and costs escalated with this new layer of government.

2. The OMB proposal changes the APCOs from voluntary advisory organizations composed of officials appointed by member agencies to de facto regional government. For the most part, APCOs now do not significantly threaten the legitimate and constitutional roles of cities and counties. We believe the OMB proposal is a harmful departure and is an encroachment upon the home rule decisions heretofore reserved for local government particularly in the areas of land use, housing and community development decisions. If a regional government is desired in a given area, local governments and the State legislatures can establish them.

3. The proposed authority for an APCO to directly deny a local agency's federal grant application or funding is also a major departure from the present A-95 review function. It is highly objectionable to this County. Because San Diego County is a single SMSA, and because the County presently has primary responsibility in the region for a number of areas including judicial services, health and social services, air quality and solid waste management, we often find ourselves competing with the San Diego APCO for federal and state assistance. We, therefore, strongly oppose any ability for the APCO to deny grant applications or funding. In no instance should a city or county be denied the right to argue the merits of its project before federal officials: local needs may not always be consistent with regional policies, but that is not prima facie evidence that the local needs are wrong and therefore should be unequivocally dismissed.

4. The proposed A-95 revisions give no legitimacy to the special or unique needs of individual regions or metropolitan areas. For example, San Diego County is a single County SMSA designated by the Governor and State law as a single County planning area. As such, we have a regionally elected Board of Supervisors which could serve appropriately as this region's APCO. In fact, the County is the regional agency for air quality, judicial and human service functions. If OMB's objective is to strengthen coordination and cooperation among agencies, they should look to the existing units of government already performing this task to a large

degree--the County--rather than mandating a new layer of government, bureaucracy, and new rules and regulations.

As I've stated, San Diego County applauds President Reagan's goal of simplifying and reducing federal policies, rules and regulations which now hinder the ability of the state and local government to meet the needs of our communities. The San Diego County Board of Supervisors shares this goal, and is attempting to simplify its own bureaucratic systems. The OMB A-95 proposal is totally contrary to this goal. We're, therefore, as frustrated with this proposal as we are heartened by the President's goals. Because of the dramatic inconsistency, I feel compelled to call the issue to your attention, and to request that you clarify the Administration's intentions in this area.

Sincerely,

CLIFFORD W. GRAVES
Chief Administrative Officer
County of San Diego

cc: Roger Honberger
Washington Office

COUNTY OF SAN DIEGO
CHIEF ADMINISTRATIVE OFFICER • 1600 PACIFIC HWY. • (714) 236-2726
SAN DIEGO, CALIFORNIA 92101

CLIFFORD W. GRAVES

May 27, 1981

Mr. Tom Snyder
Senior Analyst
Intergovernmental Relations Division
United States Office of Management
  and Budget
Washington, D.C. 20503

Dear Tom:

It was good to see you in Washington last month and to know that the long-awaited draft revision to A 95 is still inching along. I appreciate your interest in our problem as well as my general concern with certain policy issues behind the circular.

I wanted to reiterate my support for your idea of requiring that local non-governmental agencies receiving federal funds for various services be required to provide copies of their performance reports to interested local and state governmental agencies. I noted that such a provision would greatly assist our Health and Social Services planning activity, where we're trying to build closer working relationships with such agencies without duplicating paperwork. As I indicated to you, I see no need to require local review and comment on such performance reports; simply making the information available would be sufficient.

The world and I are waiting; keep pushing!

Clifford W. Graves

CWG:mf

**San Diego
ASSOCIATION OF
GOVERNMENTS**

Suite 524, Security Pacific Plaza
1200 Third Avenue
San Diego, California 92101
(714) 236-5300

October 26, 1981

David Stockman, Director
Office of Management and Budget
Executive Office Building
Washington, DC 20503

Dear Mr. Stockman:

As the Council of Governments for the San Diego Region, we urge your strong support for the continuance and strengthening of OMB Circular A-95. "A-95" review is the only formal process available to local governments to assure than federal and state spending is consistent with local needs, and to avoid duplication and waste. In addition, A-95 review is an invaluable tool for resolving intergovernmental conflict among federal, state and local governments.

Some of the accomplishments of the San Diego Association of Governments as the A-95 agency for this region include:

1. Review of federal supported projects totaling $200 million annually. In 1981, 25% of these projects were recommended for elimination or major revision by the SANDAG Board.

2. Identification, for the first time, of the $1.3 billion in federal, state and local funds supporting social services in the region, and recommendations for achieving accountability and elimination of duplication.

3. Negotiation of an agreement between SANDAG and the U.S. Department of Defense in which SANDAG coordinates all defense installation plans with local governments. The agreement has reduced friction and resulted in a SANDAG housing task force made up of all local governments, Chamber of Commerce, and the Department of Defense to identify appropriate sites for military family housing. This agreement is the first of its kind in the nation.

4. Research and coordination efforts with federal, state and local governments, the business community, and Mexico authorities to assure commitment to the second border crossing between San Diego and Tijuana, recently approved by President Reagan.

The San Diego Association of Governments is on record as having supported President Reagan's policy of "local control". Councils of governments, through A-95, can help assure that this goal is achieved.

Sincerely,

George F. Bailey

GEORGE F. BAILEY
Chairman, Board of Directors

cc: Senator S. I. Hayakawa
Senator Alan Cranston
Congressman Robert E. Badham
Congressman Bill Lowery
Congressman Duncan Hunter
Congressman Clair Burgener
✓Lei Gainer, National Association of Regional Councils
Richard Williamson, Assistant to the President,
Intergovernmental Relations

San Diego
ASSOCIATION OF
GOVERNMENTS

Suite 524, Security Pacific Plaza
1200 Third Avenue
San Diego, California 92101
(714) 236-5300

April 8, 1982

Mr. Edward Meese
Counsellor to the President
The White House
Washington, DC 20500

Dear Ed:

I would like to express my overall support for the proposed transfer of A-95 review authority to the states under President Reagan's New Federalism policy. Given the transfer of many federal programs to the states, it does seem appropriate that the states should have a stronger role in establishing procedures for A-95 review.

However, I do feel that A-95 review of direct federal development and grants to the local level should be retained under the authority of the federal government. A-95 review of federal activities has been the vehicle for these achievements in our region:

1. Negotiation of an agreement between SANDAG and the U. S. Department of Defense in which SANDAG coordinates all defense installation plans with local governments. The agreement has reduced friction and resulted in a SANDAG housing task force made up of all local governments, Chamber of Commerce, and the Department of Defense to identify appropriate sites for 1200 military family housing totaling $104 million. This agreement is the first of its kind in the nation.

2. Research and coordination efforts with federal, state and local governments, the business community, and Mexico authorities to assure commitment to the second border crossing between San Diego and Tijuana, recently approved by President Reagan.

In addition, any revision of OMB Circular A-95 should contain: 1) assurances of continued local government participation in the review process under the state, and 2) assurances of federal and state agency compliance with A-95 review procedures.

Finally, any proposed revisions to the Circular should be reviewed by state and local governments for at least 60 days.

Overall, I feel that A-95 review is a critical tool for achieving President Reagan's goal of "local control". We look forward to continuing the San Diego region's excellent relationship with the Reagan administration. Thank you for your assistance.

Sincerely,

George F. Bailey

GEORGE F. BAILEY, Chairman
Board of Directors

San Diego
ASSOCIATION OF
GOVERNMENTS

Suite 524, Security Pacific Plaza
1200 Third Avenue
San Diego, California 92101
(714) 236-5300

April 29, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. Williamson:

We have reviewed the five policies which are proposed to replace OMB Circular A-95. While we feel that an increased role for the states in A-95 review is appropriate, we feel that the new policies are not adequate to assure local government and regional council participation, as intended by the Intergovernmental Cooperation Act (Section 401) and the Metropolitan Demonstration Cities Act (Section 204). Overall, it is critical that the federal government mandate the establishment of an A-95 review process by the states, and that the following principles apply:

1. Local Government Role

   The proposed policies should specify that local governments and regional councils must be involved in the review process established in any state. Such a role for local governments and regional councils is required under the Intergovernmental Cooperation Act and the Metropolitan Demonstration Cities Act.

2. Designation of Clearinghouses

   The revised A-95 policies should specify that:

   a. The selection of a regional review agency should be made by joint action of the state and local governments in a substate area.

   b. If a state fails to act in establishing a review process, the local governments in a substate area should be able to establish their own review system.

   c. Regional review agencies should be composed, to the greatest extent possible, of all local governments in the region.

   d. Wherever possible, with the concurrence of the local governments representing the majority of general purpose governments and the majority of the population, (and if not in violation of state law), existing clearinghouses should be redesignated as the regional review agencies.

3. Definition of "Federal Agency Actions"

Federal agency actions should be defined to include all federal actions covered by the current A-95 circular, including federal assistance programs, state plans required for federal assistance, planning and construction of public works, physical facilities and installations or land and real property development, leasing, etc.

4. Direct Federal Development

The federal government should retain responsibility for A-95 coordination with local governments regarding direct federal development and/or grants at the local level.

5. Oversight by OMB

The revised policy should state a more definitive role for OMB in assuring federal agency compliance with A-95, as required by the Intergovernmental Cooperation Act and Metropolitan Demonstration Cities Act.

6. Special Purpose Planning Organizations

The proposed policy should be revised to state that "federal agencies shall support general purpose units of governments and councils of government by discouraging the reauthorization or creation of federally sponsored single purpose planning organizations."

7. Review and Comment

Any proposed revision to OMB Circular A-95 should be distributed to state and local governments for a 60-day review and comment period.

The above revisions should be made to the proposed policy to assure the viability of A-95, which is the only formal mechanism for local government review of federal programs and assistance in a region.

While there have been questions recently regarding the efficacy of A-95, we feel that A-95 is an absolute necessity for our local governments to assure that federal and state activities are consistent with regional and local goals.

In the San Diego region, the A-95 Clearinghouse has accomplished the following:

- Forum for intergovernmental coordination among federal, state and local governments and federally assisted private agencies.
- Review of over 200 federal and state funding requests totalling over $400 million annually. In FY81, 25% of these projects were recommended for elimination or major revision by SANDAG, due to duplication or lack of cost-effectiveness. This represents a substantial savings to the taxpayers for projects which, if not reviewed

by the Clearinghouse, may have been funded. This savings would pay for Clearinghouse costs several times over. The budget of the Clearinghouse for FY82 is $99,000 or $0.05 per capita in the region.

- Memorandum of Agreement between SANDAG and the U.S. Department of Defense in which SANDAG coordinates all defense installations plans with local governments. The agreement has reduced friction and resulted in a housing task force made up of all local governments, Chamber of Commerce, and the Department of Defense to identify appropriate sites for 1,200 military family housing totaling $104 million. This agreement is the first of its kind in the nation.

- Research and coordination efforts with federal, state and local governments, the business community, and Mexican authorities to assure commitment to the second border crossing between San Diego and Tijuana, recently approved by President Reagan.

Overall, A-95 review is a critical tool for achieving President Reagan's goal of "local control." We would appreciate your assistance in this matter.

Sincerely,

George F. Bailey

GEORGE F. BAILEY
Chairman, Board of Directors

cc: Edwin Meese, Counsellor to the President
Senator David Durenberger
Congressman Bill Lowery
Congressman Robert E. Badham
Congressman Duncan Hunter
Congressman Clair W. Burgener
Senator Alan Cranston
Senator S. I. Hayakawa
Richard C. Hartman, Executive Director, NARC

San Diego
ASSOCIATION OF
GOVERNMENTS

Suite 524, Security Pacific Plaza
1200 Third Avenue
San Diego, California 92101
(714) 236-5300

May 6, 1982

Senator David Durenberger
Chairman, Subcommittee on
Intergovernmental Relations
Senate Committee on Governmental
Affairs
353 Russell, Senate Office Bldg.
Washington, DC 20501

Dear Senator Durenberger:

As Chairman of the San Diego Association of Governments, I would like the following remarks to be submitted for the record of the Oversight Hearing on OMB Circular A-95 held on April 26, 1982. The San Diego Association of Governments, formed by a joint powers agreement among local governments, is composed of elected officials from the fifteen cities in our region, Baja California (Mexico) and the State Department of Transportation. As the regional Council of Governments for the San Diego area, SANDAG has served as the principal forum for achieving cooperation among federal, state and local agencies since 1966. SANDAG has responsibility for regional planning, coordination, and technical assistance in the areas of transportation, water quality, air quality, energy, housing, and population forecasting. In addition, as the State- and OMB-designated A-95 Clearinghouse, SANDAG evaluates the consistency of proposed projects with regional and local policies, to assure that federal and state expenditures support local priorities. In fact, A-95 is the only legal mechanism that local governments have to assure such consistency. Some of the major accomplishments of our A-95 Clearinghouse include:

- Forum for intergovernmental cooperation and resolution of conflict among federal, state, and local governments and federally-assisted private agencies.[1]
- Review of over 200 federal and state funding requests totalling over $400 million annually. In FY81, 25% of these projects were recommended for elimination or major revision by SANDAG, due to duplication or lack of cost-effectiveness. This represents a substantial savings to the taxpayers for projects which, if not reviewed by the Clearinghouse, may have been funded. This savings would pay for Clearinghouse costs several times over. The budget of the Clearinghouse for FY82 is $90,000 or $0.05 per capita in the region.

---

[1] In the San Diego region, there are sixteen cities, one county, over 200 special purpose districts, 4 single purpose planning agencies and 1,200 private nonprofit agencies which frequently receive federal funding.

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside Poway, San Diego, San Marcos, Santee and Vista/Ex Officio Member: California Department of Transportation Honorary Member: Tijuana, B. CFA,

- Memorandum of Agreement between SANDAG and the U.S. Department of Defense in which SANDAG coordinates all defense installations plans with local governments. The agreement has reduced friction and resulted in a housing task force made up of all local governments, Chamber of Commerce, and the Department of Defense to identify appropriate sites for 1,200 military family housing totalling $104 million. This agreement is the first of its kind in the nation. The Navy announced this week that it will purchase the first increment of housing from two presently completed private developments.

- Research and coordination efforts with federal, state and local governments, the business community, and Mexican authorities to assure commitment to the second border crossing between San Diego and Tijuana, recently approved by President Reagan.

In regard to the testimony given to your Committee on April 26 by Mr. Clifford Graves, Chief Administrative Officer of the County of San Diego, we would emphasize that that testimony represents solely the view of Mr. Graves and the Board of Supervisors, and not the cities of the San Diego region which represent 81% of the regional population. Furthermore, I would like to correct several factual errors and misrepresentations for the hearing record. The County Board of Supervisors, through their testimony, recommended elimination of A-95 based on four premises. First, the County contends that "coordination has become a way of life for governmental agencies, therefore ... Circular A-95 is no longer necessary." To the contrary, in 1982, at the initiation of the cities, SANDAG formed a "Conflict Resolution Committee" composed of elected officials, to arbitrate the increasing number of local government conflicts and preclude costly litigation. In addition, A-95 review is the only process which has consistently coordinated federal and state agency actions with our local governments.

Second, the County contends that "with the shift from categorical to block grant federal assistance, the A-95 requirements are outdated and redundant." The block grant approach, which has been supported by SANDAG, will not eliminate the need for A-95 review. While more decisions may be made at the state, rather than the federal level, the need to resolve competing local interests at the regional level will still remain. It is our position that local governments, rather than the federal or state governments, are better able to decide regional priorities.

Third, the County contends that "as a result of Circular A-95, areawide planning agencies have developed into costly burgeoning bureaucracies which eat up significant amounts of federal monies for 'administrative' purposes." This is totally misleading rhetoric. The present SANDAG budget, at $2.8 million, represents a 30% reduction since 1980, including a staff reduction of 17%. The FY82 Clearinghouse budget, of $90,000, represents only 3% of the total agency budget and supports only 2 person-years. Furthermore, contrary to County charges, SANDAG emphasizes planning and implementation. Through technical assistance to local governments, SANDAG assists local governments in achieving regional goals on a cost-effective basis:

- To achieve regional energy conservation, SANDAG prepared model ordinances for use by the cities, representing a 65% lower cost to the region than if the cities individually prepared their own ordinances.
- To achieve a more cost-effective regional transit system, SANDAG developed a highly efficient transportation information system which is used daily by all the transit operators for routing. The cost to the region was 50% less than if done by the individual transit operators.
- To achieve regional housing goals for low and moderate income housing, SANDAG provides technical assistance to the cities and developers in identifying appropriate sites for low income housing in terms of cost and service availability.

Fourth, the County charged that the present Circular gives "no recognition to the special and unique needs of various regions" and that in San Diego, the A-95 review process "gives no recognition to the legitimate regional role and nature of our County government." Again, this is a misstatement of the facts. The unique aspects of County responsibility in the areas of health and human services, the courts and probation has been recognized by SANDAG and as such, the SANDAG joint powers agreement gives the County an extra "weighted" vote in A-95 review of health and human service related projects. However, since 1980 the County of San Diego has refused to participate on the SANDAG Board and therefore has given up its voting privilege for A-95 reviews. The County left SANDAG when their proposal to be the sole agency for regional air quality planning was denied by the State Air Resources Board acting for the Governor. I have taken the liberty of enclosing a recent editorial from the San Diego Evening Tribune, which is an appropriate commentary on the County's position from an unbiased source.

Regarding OMB's five policies which are proposed to replace Circular A-95, we agree that an increased role for the states in A-95 review is appropriate. However, we also believe that the new policies are not adequate to assure local government and regional council participation, as intended by the Intergovernmental Cooperation Act (Section 401) and the Metropolitan Demonstration Cities Act (Section 204). Overall it is critical that the federal government mandate the establishment of an A-95 review process by the states, and that the following principles apply:

1. Local Government Role: The proposed policies should specify that local governments and regional councils must be involved in the review process established in any state, as required by the Inter-

governmental Cooperation Act and the Metropolitan Demonstration Cities Act.

2. Designation of Clearinghouses: The revised A-95 policies should specify that:

   a. The selection of a regional review agency should be made by joint action of the state and local governments in a substate area.
   b. If a state fails to act in establishing a review process, the local governments in a substate area should be able to establish their own review system.
   c. Regional review agencies should be composed, to the greatest extent possible, of all local general purpose units of government in the region.
   d. With the concurrence of the local governments representing the majority of general purpose governments and the majority of the population, (and if not in violation of state law), existing clearinghouses should be redesignated as the regional review agencies.

3. Definition of "Federal Agency Actions": Federal agency actions should be defined to include all federal actions covered by the current A-95 Circular, including federal assistance programs, state plans required for federal assistance, planning and construction of public works, physical facilities and installations or land and real property development, leasing, etc.

4. Direct Federal Development: The federal government should retain responsibility for A-95 coordination with local governments regarding direct federal development and/or grants at the local level.

5. Oversight by OMB: The revised policy should state a more definitive role for OMB in assuring federal agency compliance with A-95, as required by the Intergovernmental Cooperation Act and Metropolitan Demonstration Cities Act.

6. Special Purpose Planning Organizations: The proposed policy should be revised to state that "federal agencies shall support general purpose units of governments and councils of government by discouraging the reauthorization or creation of federally sponsored single purpose planning organizations."

7. Review and Comment: Any proposed revision to OMB Circular A-95 should be distributed to state and local governments for a 60-day review and comment period.

The above revisions should be made to the proposed policy to assure the viability of A-95, which is the only formal mechanism for local government review of federal programs and assistance in a region.

In conclusion, we believe that OMB Circular A-95 provides a flexible process which can be adjusted to the needs of any region. In San Diego the A-95 review process, criteria for review, and final recommendations are all determined by the SANDAG Board, made up of locally elected officials. The A-95 process is an absolute necessity for our local governments to assure that federal and state activities are consistent with regional and local goals. We urge your continued support for this approach.

Sincerely,

George F. Bailey

GEORGE F. BAILEY
Chairman, Board of Directors
Mayor, City of La Mesa

Enclosure

cc: Senator Alan Cranston
Senator S. I. Hayakawa
Congressman Robert Badham
Congressman Clair Burgener
Congressman Duncan Hunter
Congressman Bill Lowery
Mr. Edwin L. Meese, Jr., Counsellor to the President
Mr. Rich Williamson, Assistant to the President for Intergovernmental Affairs
Mr. Joseph Wright, Deputy Director, OMB
SANDAG Board of Directors
Mr. Richard C. Hartman, National Association of Regional Councils

THE TRIBUNE

HELEN K. COPLEY, *Publisher and Chairman, Editorial Board*

A Copley Newspaper

NEIL MORGAN, *Editor*
ROBERT M. WITTY, *Deputy Editor*
WALT MILLER, *Managing Editor*
RALPH BENNETT, *Chief Editorial Writer*

San Diego, California, Friday, April 30, 1982 (2) Telephone 299-3131 Page B-10

County renews attack on SANDAG

THE COUNTY Board of Supervisors uses every opportunity to shoot barbs at the San Diego Association of Governments — and it's getting tiresome.

The latest shots were fired by Clifford W. Graves, the county's chief administrative officer. He appeared before the Senate Governmental Affairs subcommittee in Washington this week, on behalf of county supervisors, and proclaimed that SANDAG "is no longer necessary nor is it warranted."

The county has had a running feud with SANDAG since 1980, when it withdrew from the organization because it couldn't get a larger voice in SANDAG's operations. SANDAG, formerly called the Comprehensive Planning Organization, was created by the municipalities within the county to act as a clearing house for federal grants and projects.

At the present time, SANDAG is composed of 15 of the county's 16 cities. Only the county and the city of Escondido have dropped from membership, but both continue to use SANDAG services.

SANDAG also maintains computer banks loaded with information on such subjects as employment, population, traffic flow, land use, fire services and school facilities. This information is available to all.

At the present time, the county must smell blood. The Office of Management and Budget, which originally set up such organizations as SANDAG, now proposes that their future need should be judged by states and local governments.

Graves' comments were made before a Senate subcommittee hearing on possible elimination of such bodies as SANDAG. The subcommittee would do well to hear from others who are satisfied with SANDAG's operation.

SANDAG is needed to coordinate the various government activities within the county. It can eliminate the duplication of services and save the federal government millions of dollars. The organization is vital to help manage the county's growth and shouldn't be a target for potshots.

DRCOG
Serving Local Governments Since 1955

Denver Regional
Council of
Governments

2480 W. 26th Avenue
Suite 200B
Denver, Colorado 80211

303/455-1000

April 29, 1982

Mr. Richard Williamson
Assistant to the President
for Intergovernmental Affairs
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Williamson:

The Denver Regional Council of Governments is a voluntary association of 42 cities and counties in the Denver metropolitan area. Now in its twenty-seventh year of providing for intergovernmental coordination and regional planning, the Council has long been the designated clearinghouse under OMB Circular A-95. The purpose of this letter is to provide you with our comments and suggestions relative to the new policies being proposed to replace those now implemented under Circular A-95.

Our review of the proposed policies suggests a very laudable attempt at simplifying federal policies. We are concerned, however, that in an attempt to limit federal intrusion, the proposed policies are perhaps an over-simplification which may not be consistent with federal law. As you know, OMB Circular A-95 is based on provisions of the Intergovernmental Cooperation Act of 1968 and Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. These federal statutes are quite explicit and provide local governments and areawide organizations of local officials with certain rights and guarantees in the intergovernmental coordination process. Our review of the proposed policies suggests that they do not respond to these rights and guarantees.

Our principal concern deals with the proposal to allow states to develop their own processes for review and coordination of federal plans and proposed actions by state and locally elected officials. While we concur that such review and coordination processes may be appropriately established at the state level, the federal statutory requirements are such that, in our view, such processes must be mandated by the federal government if this responsibility is to be delegated. While we would hope that the states would voluntarily establish appropriate coordination mechanism involving local elected officials and their areawide organizations, compliance with existing federal statutory mandates requires that such processes be established.

BOARD OFFICERS
Thomas R. Eggert, Chairman
T. J. "Ted" Hackworth, Vice Chairman
Doris Durdy, Secretary-Treasurer
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Robert D. Farley, Executive Director

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Also, proposed policies #1 and #3 appear to be contradictory if the states are not required to establish such processes. Proposed policy #3 establishes certain requirements on the federal agencies to implement the consultation commitment of policy #1. If, however, some states chose not to establish such a process of their own, how does the federal government propose to implement the required consultation?

Finally, with regard to proposed policy #2, we support the policy of discouraging proliferation of federally sponsored special purpose organizations. We suggest, however, that language be added to this policy which would support the statutory preference for use by the federal government of areawide organizations with responsibilities for comprehensive areawide development planning and which are generally composed of local elected officials. Such additional language would result in a clearer statement of federal policy.

We support the intent of the proposed policies to preserve the federal government's commitment to permitting state and local government review and comment on federal actions which affect them. We respectfully suggest, however, that without a federal mandate for the states to establish appropriate coordination and review systems, the states will be the only assurance of a voice for local governments in the process. As local governments have a legitimate independent interest in proposed federal actions, the federal government must implement its statutory obligations in this regard.

Thank you for the opportunity to present our views on these proposed policies.

Sincerely,

Robert D. Farley
Executive Director

dm
cc: Mr. Dick Hartman, NARC ✓

September 3, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D.C. 20503

RE: A-95 Review Process

Dear Mr. Stockman:

The Lower Arkansas Valley Council of Governments, Region VI, State of Colorado, is an officially designated A-95 review clearinghouse. The Board of Directors meet regularly each month in that official capacity.

Mrs. Frances Beckham, A-95 Coordinator, Federal Regional Council, has informed this agency of a Congressional hearing which is scheduled to review regulations on September 14, 1981.

This clearinghouse has frequently expressed concern regarding the effectiveness of the A-95 review process.

The validity and essential elements of the process as a local planning and management tool, the opportunity it provides for evaluation of programs, and the ability to resist duplication of services, especially in the impacted areas, and the responsiveness the review requires of the applicant are irreplacable.

However, the Board of Directors frequently express serious concerns in breaches of the process. Many times reviews are completed to find they are "after the fact." It is felt there should be more response to local input, utilizing the review mechanism to its full power.

Local governments entities financially support and are committed to the review process in this region. We respectfully submit our positive comments for the A-95 review and hereby recommend maintenance of the process.

Thank you very much.

Respectfully submitted,

LOWER ARKANSAS VALLEY COUNCIL OF GOVERNMENTS

Lou McVey

Ms. Lou McVey, Executive Director
Lower Arkansas Valley
Council of Governments

LM/lrs

cc: Frances Beckham

LOWER ARKANSAS VALLEY COUNCIL OF GOVERNMENTS
~~Bent County Courthouse~~ Las Animas, Colorado 81054 303: 456-0692
507 Bent Avenue

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

November 14, 1980

James F. Kelly
Chief of Federal Assistance Information Branch
Office of Management and Budget
Washington, DC 20503

Dear Mr. Kelly:

I congratulate OMB for holding the recent meeting regarding A-95 in Cambridge and I appreciated your thorough and candid discussion especially during the meeting for state clearinghouse representatives. I am aware you are seeking responses by November 15 and am enclosing a copy of my September 24 letter to you just to be sure that the earlier mail was not lost.

I would also like to offer several additional comments as a result of the conversation in Cambridge. I do indeed hope that the number of federally required state plans can be reduced to a more manageable number of truly meaningful state plans. I should note there have been occasions where it is not entirely clear whether a document should be handled under A-95 as Part I or Part III. In the examination of state plans this matter might be examined. I should also note that the size of some plans makes it difficult for a clearinghouse to make wide distribution thereof. Finally the OMB concept paper suggests efforts toward common completion dates for state plans. I would note that this could cause a heavy review load by a state clearinghouse which would be working against a 45 day limit.

I trust you will recall our discussion concerning state defined districts and SMSAs. I trust that further OMB proposals will recognize heavily state districting.

Finally, may I reiterate our continuing concern for funding. DOT dollars may well be now used for A-95 reviews but I think you will find this is largely at the areawide rather than state clearinghouse level.

We look forward to further participation on A-95 matters.

Sincerely,

Horace H Br

Horace H. Brown, Director
Policy Planning and Coordination
Physical Resources Unit
Comprehensive Planning Division

HHB:cc
Enc.

Phone
80 Washington Street — Hartford, Ct. 06115
An Equal Opportunity Employer

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

September 24, 1980

James F. Kelly
Chief of Federal Assistance Information Branch
Office of Management and Budget
Washington, DC 20503

Dear Mr. Kelly:

This is in response to the memorandum from Mr. Hite seeking comments on the "Conceptual Outline of Proposed Revisions to OMB Circular A-95." We appreciate the attention being directed to A-95 matters by OMB and the opportunity to periodically comment thereon. We also concur in much that is being proposed but are simply not commenting on those aspects. Indeed we could well concur further were it not for what we perceive to be serious problems in terms of workload, resultant cost and unknown realistic source of support therefore. We note that it is anticipated a series of meetings will be held "during September and up to mid October." We hope such a meeting will be held for the New England states. Specific comments are as follows:

Page 2 3. A.

It is not entirely clear how a state or local clearinghouse can "promote the consistency of federal purpose among federally required plans, programs and projects." Is this not a federal responsibility?

Page 3 D. (6)

Given the status of HSA's and AAA's, what will be the result of the proposed activity in terms of reality?

Page 4 4. B. (2) a.

Is it worth the effort with resultant potential confusion to change from "Areawide Clearinghouse" to "Areawide Planning Coordination Organization"?

Page 6 2. a., b.

The APCO is encouraged to participate in development of local plans and areawide functional plans and will be afforded the opportunity to review and comment on such final plans. These activities may well be new to many APCO's and can require considerable time with resultant cost. Where will funds come from for this purpose?

Page 6 (2) b.

Again a review of areawide plans and local plans by the APCO for some may be a new and time consuming effort though obviously desirable.

Phone
80 Washington Street — Hartford Ct 06115

age 9 (2)

What is meant by the final sentence reading "This is particularly important in the absence of comprehensive planning"? Also, is it possible to accomplish all of what is shown in (2) in light of B. (1) calling for the review as soon as possible in the formative stage?

Page 9 C. (1)

For the average clearinghouse, how much extra work will be involved by adding "200 plus" more programs and how much will be realistically accomplished by expanding the coverage "for information purposes only"? One also wonders how many clearinghouses will find useful the submission of modified information. Views of clearinghouses should be sought regarding this.

Page 10 C. (2)

Again, while it may be useful, the paper flow to the clearinghouse is further expanded and review of annual performance reports will take time and add to cost if indeed done.

Page 10 D. (1)

While highly desirable in many situations, this is a large new undertaking for many clearinghouses.

Page 12 1st paragraph

What happens if a clearinghouse is unable to resolve a problem? The decision should rest with the federal funding agency as is now the case.

Page 13 B. (4)

In many ways, this may be the most significant paragraph in the entire document from the standpoint of potential implementation of all that is proposed in the document. We note with interest that it says "OMB will assure that federal agencies provide for an adequate and stabilized level of funding for A-95 functions." It is probable that historically HUD 701 funds have provided more support than any other federal program. These funds have been cut drastically in recent years and the trend appears to continue. What does OMB intend to do regarding this? It is believed that a proper level of funding should be provided be it from HUD 701 or elsewhere. If funds are to be drawn from a variety of programs of several federal agencies, then it is respectfully suggested that this be done by OMB at the national level and distributed to clearinghouses rather than assume each clearinghouse will draw from a variety of federal funding sources. The latter approach could lead to horrendous contractural and fiscal arrangements.

age 14

This office has already commented on an A-95 monitoring program and asks that such comments be considered further. It is also suggested that a thorough re-examination be made of "A-95 What It Is" to assure consistency with the regulations.

Page S-3 No. 7 b.

OMB should accomplish the pooling, administration and distribution of funds to the clearinghouses or provide a new source of funding.

Page I-1 Final paragraph

States should also participate in review of planning organizations if done.

Page II-1 2. B.

Wording should be added something to the effect of "or their designees to the extent consistent to state law."

Page II-4 4. A. (2)

Who will fund this?

Page II-5 Last paragraph

A sizable job with related cost.

Page II-10 B. (2)

Why is it necessary at this stage to develop criteria and procedures for designation of APCO's? Are problems that great regarding current ones?

Page VII-5

It would be much simpler and less costly were OMB to budget A-95 costs.

We look forward to discussing these matters further during a meeting we hope will be held in New England.

Sincerely,

Horace H Brown

Horace H. Brown, Director
Policy Planning and Coordination
Physical Resources Unit
Comprehensive Planning Division

HHB:cc
cc: Diane Doherty, Federal Region Council
Robert H. Wise, Council of State Planning Agencies
Connecticut Areawide Clearinghouses

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
COMPREHENSIVE PLANNING DIVISION

October 28, 1981

Ms. Gloria Whitman
Assistant Director for Human Resources
Council of State Planning Agencies
Hall of the States
400 North Capitol Street - Suite 291
Washington, D.C. 20001

Dear Ms. Whitman:

This is in response to your memorandum of October 15 concerning OMB Circular A-95. I will attempt to respond to the several areas of interest you have raised. Before doing so, I might note that we had earlier anticipated the release by OMB of a proposed revision of the A-95 regulation in the spring of this year. Obviously, this has not come to pass. This office did, however, review earlier proposals, including "A-95 Effectiveness Monitoring Proposal" and "Conceptual Outline of Proposed Revisions to OMB Circular A-95." The staff also attended a meeting regarding this matter.

I am enclosing three letters to OMB regarding the matter as it stood at that time. While obviously dated, the correspondence may give you a flavor of our concerns and views. You will see that we were especially concerned over any ideas to expand and complicate the process, and especially concerned regarding funding for A-95 activity or lack thereof.

Generally, we feel A-95 as it now operates is useful. It certainly provides a means whereby appropriate agencies and officials at the state, regional and local level are afforded an opportunity to be aware of the types of funds being sought from federal agencies and the purposes to which they will be put. It also affords an opportunity to be aware of proposed direct federal action such as acquisition of property.

Rare indeed has been the occasion where reviews of a project have resulted in truly major objections or criticisms. However, questions have been raised, responses developed and matters clarified, especially in the areas of human rights and environment. While not provable, one can wonder if projects are possibly more carefully thought through, with better results, because of an awareness on the part of the applicant that an A-95 review by a variety of agencies will be required.

The preceding discussion relates primarily to Part I of A-95, namely, project notification and review. It is more difficult for us to comment on Part II concerning direct federal action, since we rarely see such notifications. This is probably in large part due to the limited federal holdings in Connecticut. One does wonder, however, whether this requirement is followed by all federal agencies.

States with vast federal holdings should be in a better position to comment. Under Part III, we review all federally required state plans, and that is an activity that has been found useful to this office, and runs quite smoothly.

With the coming of block grants, the volume of A-95 Part I notifications and Part III plan reviews will, in our opinion, drop dramatically. Indeed, there are already signs of this. However, since not all categorical programs now covered by A-95 will be merged into block grants, it seems logical to continue the A-95 review. While the work load will be reduced, concern regarding funding for clearinghouse activity remains. Historically, we believe the HUD 701 planning program has been the main source of support for clearinghouses. This program has now been eliminated, except at reduced level for regional planning agencies. That will be gone next year. OMB should address this matter, either by its own support program or by drawing on funds from grant programs. As you will see from earlier correspondence from this office, we feel strongly that if skimming is to be done, it should be done by OMB and not left to clearinghouses. The latter is unworkable.

With regard to revision, it may be possible to reduce somewhat the clearinghouse activity with regard to Part I by simply having the clearinghouse distribute notices with the requirement that review agencies react directly with the applicant rather than via clearinghouses. We see no need to change the direct federal activity aspect in Part II, and have no major problem with the handling of Environmental Impact Statements other than that we could issue notices of availability, rather than distribution of statements per se.

With regard to Part III state plan review activity, we believe simplification rests not in the review process, but in consolidation, and thus reduction in the number of federally required state plans. We know this matter is being pursued and are strongly supportive of it. Frankly, we are not clear what is meant in your memorandum by "...the utility of regulating substitution of state plans for federal requirements." or "...substitution of state plan processes for federal requirements issued by all federal agencies." If our comments have not covered this point, we will attempt to do so if you would respond with further explanation. We also hesitate to comment on the concept of "...strengthening the state role in state-local relationships (e.g., with sub regional clearinghouses.)" We would have to know more about what is intended and the potential cost thereof before we could comment. As you know, now state and regional clearinghouses follow parallel but separate tracks.

Incidentally, in reviewing the Washington Post article, we wonder about two aspects. It is stated, "Thus the nation's COG's stand to lose an undetermined amount of money if A-95 goes away." Do you know any more about this? We wonder if they are referring mainly to 701, for which further funding is not proposed regardless of A-95.

Also, we are unclear about the statement in the article, "A-95 review has real teeth in only two major areas." Frankly, we don't believe A-95 has controlling power in any area. Other federal requirements, however, do. Possibly two matters have been merged into one. Do you know anything further about this?

We appreciate the opportunity to comment.

Best regards,

Stephen B. Heintz
Under Secretary

SBH:tmj

Enclosures

STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

June 13, 1980

Thomas F. Snyder
A-95 Coordinator
Executive Office of the President
Office of Management and Budget
Washington, DC 20503

Dear Mr. Snyder:

This is in response to your memorandum of April 30 requesting comments on "A-95 Effectiveness Monitoring Proposal". I very much appreciate the effort you are making to involve us in the development of A-95 related material and activity. We have reproduced the material and sent it to each area clearinghouse. I would wonder however if you might not wish to consider direct distribution of such material to all clearinghouses, both state and areawide. I think this is important unless you are sure that all state clearinghouses are indeed sending the material on to the areawides. I say this, of course, because the areawides will be as directly impacted as will the state clearinghouses.

Before commenting on some specific elements of what has been transmitted, I feel I must express a concern regarding the direction in which we may be headed. We are most desirous of making the A-95 process as effective as possible. We are concerned, however, that it not grow in complexity without absolute justification as to the need for it to do so. Furthermore, we continue to be concerned over the funding of the effort, and the material which we have received to date could lead us to believe OMB may be anticipating requesting more of the clearinghouses. This is not easy without support.

In the outline of the proposed program for effectiveness monitoring, reference is made to "The various people involved with A-95." In our opinion a major sector is missing, namely the reviewing agencies. I am sure you agree that in no way should a review be limited to clearinghouse activity. Indeed, at the state level distribution of notifications is made by the clearinghouse to numerous state agencies. These, therefore, are very much involved with A-95 and this fact should be recognized.

I am limiting other commentary to the clearinghouse section and have chosen to comment on certain matters rather than try to rank priority order as follows:

IV. B. 3. What is meant by "Program-specific familiarity"? How necessary is it for a state clearinghouse to have indepth program-specific familiarity; to be aware of the quality of operations in each main program area? While this office happens to have rather extensive familiarity and knowledge, I believe the key is for state clearinghouses at least to be aware of areas of interest and responsibility of the various state agencies so that a given notification can be referred to the appropriate line agency of state government. Those agencies have the indepth familiarity and thus can make the best review of a given proposal.

Phone
80 Washington Street

IV. B. 4a. Generally the comment just made regarding 3 also applies to 4. Furthermore, with regard to 4b., what "Memos of agreement with other planning bodies" are required and/or needed for a state clearinghouse?

IV. C. 1. What do you mean by "Pre-screening"? This clearinghouse believes in reviewing every notification and in distributing every notification to all appropriate state agencies. The clearinghouse may well not make a "full review" in every instance nor is this necessary if it is doing an appropriate job of distribution of notifications. Furthermore, how do you define a "full review"?

IV. C. 4a. This office is seriously concerned over your proposed measure of "Ratio of comments to no comments." What do you feel would be a good ratio? We are aware some clearinghouses write extensive narratives describing a project with the bottom line simply being that the project is supported. Other clearinghouses may review far more projects but choose only to comment when there is a real issue or concern. There is a real question that we feel is unanswered as to how productive it is to write extensive commentary on a project where there are no problems. Has OMB determined the extent to which all federal granting agencies utilize A-95 commentary? Such knowledge would be helpful to clearinghouses. Furthermore, the ability to prepare extensive written commentary relates to the financial resources available for the A-95 operation.

IV. C. 5b. A clarification of what is meant by "Ratio of resolutions prior to application submittal versus after the fact" would be appreciated.

IV. D. 2a. A clarification of what is meant by "Quality of self-generated and requested analyses" would be appreciated. We for example would wonder from whence would come a requested analysis.

I hope this is helpful.

Very sincerely,

Horace H Brown

Horace H. Brown
Director
Policy Planning and Coordination
Physical Resources Unit
Comprehensive Planning Division

HHB:cc
cc: Thomas Melone, Federal Regional Council of New England
Robert N. Wise, Council of State Planning Agencies

bcc: Edward Dooling ✓
Aden H. Haben
Dick Symonds

CAPITOL REGION COUNCIL OF GOVERNMENTS
214 MAIN STREET - HARTFORD, CONN. 06106
Tel. 203 522-2217

DANA S. HANSON
EXECUTIVE DIRECTOR

April 28, 1982

Richard Williamson
Assistant to the President for Intergovernmental Affairs
The White House
Washington, D.C. 20500

Dear Mr. Williamson:

I am writing to express my concern over the proposed changes to the A-95 review process.

The fact that OMB will be giving states discretionary authority in establishing A-95 review procedures rather than mandating their establishment is one area of concern. At a time when federal funds to administer the A-95 review process are being eliminated and states are faced with the loss of millions of dollars in federal funds for other programs, the A-95 program seems to be a prime candidate for total elimination. States are not necessarily receptive to taking on programs which previously were supported by federal funds, especially when they have a choice. Even when federal funding is still being provided, some states have chosen not to take over administration of the CDBG - Small Cities program from HUD.

In addition, your proposal fails to identify any kind of substantive role for local governments and regional councils. Even in a state as small as Connecticut, it is often difficult for municipalities to communicate effectively with the State in a direct manner. The regional agencies are better equipped to perform this function and have years of experience and established procedures which have been satisfactory to local governments, the State, and federal agencies.

I urge you to reconsider the proposed changes in light of these comments and at the very least mandate the continuation of the A-95 review program by the States.

Thank you for the opportunity to comment.

Sincerely,

Dana S. Hanson
Executive Director

DSH:sr
cc: Richard Hartman, NARC

STATE OF DELAWARE
EXECUTIVE DEPARTMENT
DOVER

PIERRE S. DU PONT
GOVERNOR

April 22, 1982

The Honorable Dave Durenberger
Chairman, Subcommittee on
  Intergovernmental Relations
United States Senate
Washington, DC 20510

Dear Senator ~~Durenberger~~ Dave:

It is imperative that your subcommittee be made aware of the importance of the coordination mechanism established in Delaware for review of federal agency actions. In Delaware, the Legislative and Executive Branches of government, the local governmental bodies and the private agencies have strived to work together to closely coordinate federal programs.

The Delaware Chief Executive must be kept informed of the various federal programs to avoid duplication of effort; to insure the best delivery of services possible to its citizens and to accomplish orderly development. Because of these concerns we, in Delaware, wish to continue the existing review process of federal agency actions.

Sincerely,

Pierre S. du Pont
Governor

PSduP:HJJ:FB
03lly

indian river
st. lucie
martin
palm beach

treasure
coast
regional
planning
council

April 26, 1982

Mr. Richard S. Williamson
Assistant to President for
Intergovernmental Affairs
The White House
Room 122 OFOB
Washington, DC 20500

Subject: A-95 Review and Comment Process

Dear Mr. Williamson:

The Council is the designated areawide A-95 clearinghouse for the Treasure Coast Region, which includes Palm Beach, Martin, St. Lucie and Indian River Counties. We have performed those responsibilities for the past five years and have found the A-95 process to be an important and effective opportunity to involve local governments in pending federal activities that may impact the region.

Very recently, the Council has been made aware of the potential that your office intends to revise the A-95 process and to replace the circular with a five point policy initiative. This potential is of substantial concern to the Council and may well result in significantly limiting the Council's opportunities and abilities to coordinate pending action of the various federal agencies with policies and programs of local governments throughout the region.

Therefore, we would urge you to postpone any action related to replacing or revamping the A-95 process until such time as additional information is provided and time allowed for a more complete and comprehensive review of such action.

I might note that based on the very limited information available at this time, it appears that portions of the policy initiative from your office have the potential for enhancing the review process; however, until a more detailed description and discussion of the initiative is available and reviewed, no definitive or formal position can be provided.

Your attention and consideration of this request to delay action on the replacement of OMB Circular A-95 will be appreciated.

Yours truly,

Sam Shannon
Executive Director

SS:cs

cc: Gregory L. Higgins
Jack Osterholt
Richard C. Hartman

tampa bay
regional
planning
council

[illegible]
[illegible]
[illegible]

April 28, 1982

Mr. Richard S. Williamson
Assistant to the President for
Intergovernmental Affairs
Room 122
Old Executive Office Building
Washington, D. C. 20500

Dear Mr. Williamson:

Subject: Proposed changes to Office of Management and Budget Circular A-95.

The Tampa Bay Regional Planning Council staff has reviewed the Office of Management and Budget's (OMB) proposed changes to the review and comment system now implemented by Circular A-95 and has the following comments to offer:

- The Council's Clearinghouse Review Committee, composed of locally elected officials and gubernatorial appointees representing four counties in the Tampa Bay Region, strongly supports maintaining areawide designations for A-95 review functions. The new policies proposed by OMB offer no assurance that local and regional participation in the review process will be continued in the event a state does not wish to establish its own system. The long-term success of OMB's proposed review and comment system will depend upon a firm commitment by the federal government to obtaining input from the local level.
- At this time, the State of Florida has not defined a statewide strategy supporting local input. Florida's existing network of regional clearinghouses presently serves as the mechanism for securing local input on proposed federal actions. Given current budget constraints and competing priorities, there is no assurance that the State of Florida will support a statewide review system or appropriate the necessary state funds to implement the process.
- While Council staff supports the policy of enhancing the state's role and flexibility in the review process, local government input is the key to a successful coordinated review system. Overall, OMB's proposal appears to be weak on the issue of local government role, and we strongly encourage that the new policies be modified to better reflect the interest of local governments and their regional councils.

The Tampa Bay Regional Planning Council staff appreciates the opportunity to review OMB's proposal and we look forward to the successful implementation of the new policies.

Sincerely,

William A. Ockunzzi
Executive Director

WAO/bo
cc: Richard C. Hartnam, NARC
Ronald J. Fahs, Office of the Governor

cc: Harold Steinberg
Richard S. Williamson
George T. Marcou, AICP

1776

Cecil Boling
Chairman

J.B. Jones
Vice-Chairman

State of Georgia

Advisory Committee on Area Planning and Development

December 1, 1981

Mr. Edwin L. Harper
Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, DC 20503

Dear Mr. Harper:

The Georgia State Advisory Committee on Area Planning and Development wishes to formally express its desire for the continuation of the A-95 review and comment process. The committee believes there is special value in early notification of projects and the opportunity to comment on them with respect to established goals and policies.

This committee appointed by the Governor of Georgia is made up of representatives of local government. These representatives expressed total support for the opportunity of receiving notification of proposed projects early enough to avoid duplicating or conflicting activities before it is too late to take corrective action.

Review and comment on major project proposals is a most valuable tool of regional planning agencies. The opportunity to review projects against regional plans and to comment accordingly is one of the few effective means of bringing plans to bear on development activities.

On behalf of the members of the Georgia Advisory Committee on Area Planning and Development and the localities we represent, I respectfully request that this Administration retain a project review and notification system similar to A-95.

Sincerely,

Cecil Boling

Cecil Boling
Mayor
Canton, Georgia

CB/dw

503 W. Waugh Street, Dalton, Georgia 30720
(404) 272-2300

ATLANTA
REGIONAL
COMMISSION
Celebrating Ten Years of Service to the Atlanta Region • 1971-1981

April 20, 1982

Honorable Sam Nunn
United States Senate
3241 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Revisions to OMB Circular No. A-95

Dear Senator Nunn:

We have been informed that Senator Durenberger's Subcommittee on Intergovernmental Affairs plans to hear testimony beginning April 26 on proposed revisions to OMB Circular No. A-95. We hope that you will have an opportunity to participate in these hearings. We want to point out to you our two major concerns about revisions to A-95 and ask that you inquire about OMB's intent on these issues in particular:

1. Circular or Executive Order The Atlanta Regional Commission prefers that the process be maintained as an OMB Circular under the Administrative Procecures Act rather than being published as an Executive Order. Also, the revision should be published in the Federal Register with a sixty-day comment period. Experience with the revision over the past eighteen months has shown that there is a great deal of interest in the A-95 review process at every level of government. Since every level will be affected greatly, all should be provided an opportunity to comment. Moreover, the time that has elapsed over the revision period renders any argument of speedy revision irrelevant.

2. Local Government Role Apparently OMB is considering a revision to A-95 which would allow States to opt out of the process completely and thereby prohibit local A-95 review. We are very much opposed to this revision. Section 401 of the Intergovernmental Cooperation Act requires the President to issue regulations setting up a system for state, local governments and regional agencies to review and comment on Federal programs and projects having significant impact on area and community development. Section 204 of the Demonstration Cities Act again emphasizes the review and comment responsibility of areawide comprehensive planning agencies. Neither act places state governments in the role of exclusive arbitrator on who participates in the review process. Therefore, we endorse an option to A-95 which allows local governments to continue the A-95 review process in the event a state does not participate. We stress that this option is most essential in metropolitan areas where there are myriad governments and federal assistance but a dearth of coordination and communication among these busy local officials except through the forum of the areawide planning agency and the A-95 review process.

230 Peachtree Street, N.W., Suite 200 • Atlanta, Georgia 30043 • Telephone 404/656-7700

Again, we hope that you will be able to find time to participate in the hearings and will endorse our concerns. If you need more general information, I am sure that Ms. Lei Gainer at NARC (457-0710) would be happy to sit down and discuss this with you and your staff. If you need more specifics from an Atlanta perspective, please call me (404 656-7704) at any time.

Thank you for your time and attention.

Sincerely,

Harry West
Executive Director

HW:BR:sd

bc: Lei Gainer, NARC

ARC
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REGIONAL
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May 18, 1982

Senator David Durenberger, Chairman
Senate Intergovernmental Relations
Subcommittee
Room 507, Carroll Arms Building
301 First Street, N.E.
Washington, D.C. 20510

Re: OMB Circular No. A-95

Dear Senator Durenberger:

Attached is a copy of a recent letter from Ernest Barrett, our Chairman, to Rich Williamson on the White House staff. We request that Mr. Barrett's letter to Mr. Williamson be made a part of the hearing record of the April 26 hearing on OMB Circular A-95.

Thank you for including these comments.

Sincerely,

Jerry C. Conway

FOR Harry West
Executive Director

Attachment

cc: Mr. Richard Hartman, NARC

HW:JAC:sd

230 Peachtree Street, N.W., Suite 200 • Atlanta, Georgia 30043 • Telephone 404/656-7700

ARC
ATLANTA
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April 28, 1982

Mr. Richard S. Williamson
Assistant to the President for
  Intergovernmental Affairs
Room 122, Old Executive Office
  Building
Washington, D.C. 20500

Subject: Revisions to OMB Circular No. A-95

Dear Mr. Williamson:

I am the Chairman of the Board of Commissioners and chief executive officer of Cobb County, Georgia's third most populous county. I am also past Chairman of our state association of county commissioners and current Chairman of the Atlanta Regional Commission. I am writing you as a local chief elected official in a metropolitan area who is very supportive of the A-95 Review process.

The Atlanta Regional Commission has been involved in the review and comment business since 1965, when the Commission participated in an experimental HUD review and comment program which ultimately led to A-95. At the local and areawide levels, where I have experience, A-95 Review has been effective. It has kept local governments informed about what their neighbors and the state and federal governments were doing, it has prevented wasteful overlap and duplication of federal and federally assisted programs and it has prevented conflict among the local, state and federal governments within the Atlanta region. I am concerned that OMB is considering something that would hurt what we have worked long and hard to develop down here -- a true intergovernmental coordination process.

Our staff has been told that OMB wants to issue a replacement for A-95 as an Executive Order without a public comment period and, in that Executive Order, to allow states to opt out of the Review process totally, leaving no chance for local and areawide review to continue.

230 Peachtree Street, N.W., Suite 200 • Atlanta, Georgia 30043 • Telephone 404/656-7700

I hope that OMB is not considering these alternatives, but, if they are, here are the problems that we see:

1. The legislative intent in the Intergovernmental Cooperation Act of 1968 and in Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, quite clearly, was to establish nationwide opportunities for the exchange of views among the various levels of government. The Acts do not assign any special role for the states in channelling or obstructing the views of the other levels. In fact, Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 requires submission of applications for a wide range of federal loans and grants to metropolitan planning agencies, such as the Atlanta Regional Commission, for their review and comment, with no reference whatsoever to a state role. This statutory requirement was in effect three years before OMB issued Circular A-95, and it remains in effect today as one basis for the A-95 process. Circular A-95 added the statewide clearinghouses to the process, but nothing places state government in the role as the exclusive arbitrator on who participates in the process.

2. Congress and the President, by legislation, have declared it to be national policy that "all viewpoints - national, regional, state and local - shall, to the extent possible, be fully considered and taken into account in planning federal or federally assisted development programs and projects." (Section 401(b), Intergovernmental Cooperation Act of 1968). Obviously, some nationwide intergovernmental communications process, such as A-95, is required to implement this policy.

3. The President is required, by this same act, to "establish rules and regulations governing the formulation, evaluation, and review of federal programs and projects having a significant impact on area and community development, including programs providing federal assistance to the states and localities. . . ." For the President to delegate this rulemaking requirement to the states would be to give the states the option to override national policy as expressed by the Congress and the President in the Intergovernmental Cooperation Act.

4. The A-95 Circular was issued under the authority in Section 403 of the Intergovernmental Cooperation Act of 1968 (ICA). This section provides that the President may delegate to the Director of OMB the responsibility to issue the rules and regulations required under Section 403 of ICA. This was accomplished under the terms of the Administrative Procedures Act by publishing the Circular as a proposed regulation in the Federal Register. After the required period for comment, A-95 regulations became effective. I believe that the same procedure should apply if the regulations are modified or terminated.

I understand that OMB is trying to cut unneccessary red tape and save money, but A-95 is certainly not perceived down here as unneccessary red tape. It is one of the few tools we have to effect intergovernmental and interfunctional coordination. It protects local governments from unknowingly and unintentionally damaging their neighbors. It is a way to help implement regional plans and policies, and it is an important source of planning and management information. In these days of tightened purse strings at every level, it just doesn't make sense to do away with something that has proven effective in saving money.

I hope you will support our position.

Sincerely,

Ernest Barrett
EB:jlr

April 28, 1982

Mr. Richard Williamson
Assistant to the President for Intergovernmental Affairs
Office of Management and Budget
The White House
Washington, D.C. 20500

Dear Mr. Williamson:

After having reviewed the proposal which you are recommending to replace the intergovernmental policies under Office of Management and Budget (OMB) Circular A-95 I would like to offer the following comments.

In Item Number Two under "supporting federalism", it states that "federal agencies shall support general purpose units of government by discouraging the reauthorization or creation of federally sponsored special purpose planning organizations". Our agency, which is an extension of and represents some thirty-four local units of government throughout coastal Georgia, strongly opposes this statement.

Our agency has been in existence since 1965 and is currently recognized as the Economic Development District, Area Agency on Aging, the non-metropolitan planning organization and the A-95 Regional Clearinghouse and in the past has also served as the regional coastal zone management planning organization, the Law Enforcement Assistant planning organization and as a 314-B comprehensive planning program for rural coastal Georgia. The Commission has acquired these federal designations throughout its existence and has fulfilled the responsibilities inherent with these designations in serving our local governments. In fact, due to the multi-functional nature of our Commission we have been successful in integrating the objectives of the aforementioned federal programs and many others into the overall activities in serving our local governments.

The success of our efforts can be directly attributed to the active and ongoing interest exhibited by the thirty-four units of local government that are members of our Commission. Many valuable programs and projects have been initiated and implemented by our Commission in behalf of our cities and counties. The multi-functional nature of our agency has allowed it to respond to a variety of intergovernmental issues and problems and assist our local governments in working toward a successful resolution to these various issues. Without the regional agency as it exists together with the resources provided by various federal and state programs there is no question in my mind as a local elected official that most, if not all, of these programs and their related achievements would never have come about.

As Chairman of the regional agency and as Chairman of the Long County Commission I am recommending that this particular portion of your proposal which is intended to replace the existing A-95 policies be restructured to emphasize the need to continuously encourage and involve the use of multi-purpose planning organizations in the implementation of various federal programs in behalf of local units of government. Through such an approach, comprehensive solutions to intergovernmental problems and intergovernmental relations can be obtained while simultaneously providing the maximum opportunity for consultation by local elected officials.

Regarding the remaining part of your proposal, it is my opinion as Chairman of this regional agency and as a local government elected official that states sometimes are given entirely too much discretion in establishing individual intergovernmental systems. While a certain amount of flexibility is certainly desirable it would seem to me that it would be even more desirable to provide some baseline guidance to the states for establishing the systems. Without a minimal level of guidance a broad range of systems is likely to develop which could hinder the effectiveness of the system.

I appreciate the opportunity of responding to the proposal that you are suggesting replace the current OMB Circular A-95. It is my understanding that Mr. Stockman had proposed to have a public hearing at which key elected officials would be invited from various states to testify to him and other members of OMB regarding A-95. I would like to see a meeting such as this be called so that we would have an opportunity to respond to some of the criticisms that I believe are unjustified regarding not only A-95 but also the roles of substate regional organizations.

Sincerely,

Lonnie Skeens,
Chairman

LS/lm
bc: Ms. Lee Gainer
Ms. Aliceann Wohlbruck

Roberts&Eichler associates, inc. atlanta
315 West Ponce de Leon Avenue · Suite 460 Decatur, Georgia 30030 Telephone 404/377-3828

December 15, 1981

Mr. Edwin L. Harper
Deputy Director of OMB
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Harper:

The purpose of this letter is to urge your continued support of the A-95 intergovernmental Project Review Process.

First, let me stress that I totally support the President's efforts to reduce the role and cost of the Federal Government.

For that reason, and speaking as the former planning director of the Atlanta Regional Commission and the Metropolitan Washington Council of Governments, I know that A-95 is a useful tool in avoiding the mis-use, waste and duplication of Federal funds that otherwise slip through intergovernmental cracks. It not only promotes the efficient use of Federal funds at state and local levels, but also provides coordination among Federal departments operating at the local level.

I will be happy to provide you with specific examples involving airport, redevelopment, water, sewer, transit, and highway projects if you desire.

Although I realize A-95 is not particularly popular among Federal officials who administer grant programs, this is one Federal role that should continue as long as there are Federal Grants, because it is one that taxpayers can benefit from.

Good luck in your continued efforts, and let me know if I can be of any assistance.

Sincerely,

Tom Roberts

Thomas H. Roberts, President

THR:km

cc: Mr. Richard S. Williamson
Mr. Harold Steinburg
Mr. George Marcou
Mr. Richard C. Hartman
Mr. John Bosley
Mr. Harry West
Mr. Joel Stone
Mr. Jerry Coursey

ADA PLANNING ASSOCIATIO
850 Main Street
Boise, Idaho 83702
(208) 344-7600

November 16, 1981

Mr. David Stockman
Director
Office of Management
 and Budget
Washington, DC 20503

Dear Mr. Stockman:

The Ada Planning Association wishes to convey support and express the importance of, as well as the need for, the A-95 Project Review and Notification Process currently operated in Idaho through the State's Bureau of Economic and Community Affairs.

In a time of limited resources, governments must work together to promote a more efficient use of federal, state and local agency funding. The A-95 process is intended to encourage the coordination of planning activities, to eliminate duplication, to prevent wasteful use of federal dollars and to make federal approval requirements more consistent. This is accomplished through the state and areawide clearinghouses, through distribution for comment and review, all applications for federal assistance to state and local units of government and to interested citizens.

The A-95 Notification and Review Process provides the following benefits to all citizens and local agencies.

Notice System:

- Provides agency information on types of services being performed and purpose of same (e.g., Information & Referral, Inc., an A-95 reviewing agency, uses the notification system to maintain up-to-date information of services available dealing with emergency housing, health care, employment, education, legal assistance and social problems.).

- Provides for informal agency coordination and linkage on functions and services (e.g., Recently, Boise State University applied for funds to conduct a community service seminar regarding childbirth/child care. Through the notification process, BSU was made aware that the local Planned Parenthood Office offers the same type of program at regular intervals throughout the year.).

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

- Opens communications among governmental and service entities.

Review System:

- Prevents unnecessary and inconsistent grant filing.
- Provides for significant improvement of grant applications through changes offered by reviewers.
- Promotes coordination and helps prevent duplication among all local service agencies and governments.

The Ada Planning Association fully supports the A-95 process and urges your consideration to maintain and strengthen the program as a beneficial and viable process.

Sincerely,

Karl Jeppesen

Karl Jeppesen, Chairman
Ada Planning Association

KJ:bf/AF1-D

cc: Idaho State Clearinghouse
Nat'l Assoc. of Regional Councils
991

NOTE: Please see attached list of member agencies of the Ada Planning Association.

GREATER
EGYPT
REGIONAL
PLANNING &
DEVELOPMENT
COMMISSION

608 east college st. / carbondale, illinois / area code 618 549-3306
mailing address: post office box 3160 / carbondale, illinois / 62901

May 14, 1982

Senator David Durenberger, Chairman
Senate Intergovernmental Relations Subcommittee
Room 507, Carroll Arms Building
301 First Street, NE
Washington, DC 20510

Dear Senator Durenberger:

The Greater Egypt Regional Planning and Development Commission was created in 1961 under Illinois enabling legislation (Ill. Revised Statutes, Chapter 34, Sec. 3001 et. seq.) by its member counties of Franklin, Jackson, Jefferson, Perry, and Williamson for purposes of providing adjusted and harmonious development of the Region.

At the regularly scheduled meeting of the Greater Egypt Commission held on May 11, 1982, the Commission discussed the proposed revisions to the A-95 process. The Commission unanimously voted to forward the following comments to be included in the public hearing record on the A-95 review and comment process:

1. That the Office of Management and Budget ensure alternative mechanisms for local review of programs should the State government fail to maintain the existing Clearinghouse process.
2. That any revised process continue to maintain the 30-day review period to provide for review and comment.
3. That the OMB seek the advice and participation of state and local governments prior to instituting major revisions in the A-95 process.
4. Encourage OMB to place in the Federal Register for public comment the final draft of the proposed revision prior to adoption and implementation.

It should be noted that the units of local government within this region have been exceptionally pleased with the success of the A-95 process over the past 12 years.

Sincerely for the Commission,

A. S. Kirkikis

A. S. Kirkikis
Executive Director

ASK:mm

COUNTY OF KANE

COUNTY BOARD

Philip B. Elfstrom
Chairman

719 So. Batavia Avenue
Geneva, Illinois 60134
Phone: (312) 232 2400

November 10, 1981

Mr. David Stockman, Director
Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

I understand that OMB's A-95 Project Review System is being considered for elimination. Kane County wishes to go on record as being opposed to any efforts to eliminate or reduce the effectiveness of the system.

Although the County can appreciate the overall effort to reduce the federal budget and dispose of various ineffective or duplicative programs, we feel that elimination of A-95 would be counter productive to the overall effort to foster economy in government. Since its inception, the A-95 Review Process has provided Kane County with the opportunity to comment on a multitude of projects and programs utilizing federal funds and to determine if they were compatible with the County's plans, goals and objectives.

I would hope that your office carefully considers any future actions concerning A-95 and reaches the conclusion that it be maintained as a desirable component of the emerging partnership between federal, state and local governments.

Sincerely,

KANE COUNTY BOARD

Philip B. Elfstrom
Chairman

PBE:ddc
cc: Mr. Richard S. Williamson
Assistant to the President for Intergovernmental Affairs

WILL COUNTY REGIONAL PLANNING COMMISSION
501 Ella Avenue
Joliet, Illinois 60433
(815) 727-8767

December 4, 1981

Edwin L. Harper, Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Re: OMB Circular A-95 Project
Notification and Review System

Dear Mr. Harper:

The County of Will is seriously concerned about the possible elimination of OMB's A-95 Review process. Coordination at every level of government has been a priority in our County for many years. Through the cooperation of our Planning Department and the Northeastern Illinois Planning Commission, we have remained in touch with all federally funded programs having a direct effect upon us. Elimination of the A-95 Review process would seriously affect our planning functions and coordination system with various levels [illegible] government.

[illegible] the past several years, we were made aware of funding proposals through the A-95 process which were inconsistent with the goals and policies of Will County. We feel it is a right and a courtesy to allow affected governments the opportunity to respond to proposals within their jurisdiction prior to federal funds being granted.

Eliminating the A-95 Review process is not in our best interest nor in the best interest of other local units of government which are working to promote proper land management, the general public health, safety, and welfare, and intergovernmental coordination.

Sincerely,

Jerry Capps, Chairman
Planning & Legislative Committee

JC/LM/11

CC: Harold Steinberg
Associate Director for Management

Richard S. Williamson, Assistant
to the President of Intergovernmental
Affairs

George T. Marcou, AICP

Forest Etheredge, Senator 39th District
George Sangmeister, Senator 42nd District
Jerome Joyce, Senator 43rd District
Representatives in the 39th Legislative District
Representatives in the 42nd Legislative District
Representatives in the 43rd Legislative District
George M. O'Brien, Congressman
Charles H. Percy, Senator
Alan J. Dixon, Senator

Rock
Valley
Metropolitan
Council

206 WEST STATE STREET, SUITE 1008, ROCKFORD, ILLINOIS 61101 • AC 815/963-6010

November 23, 1981

Mr. David Stockman, Director
U. S. Office of Management and Budget
Washington, D. C.

Mr. Stockman,

On behalf of the elected officials of the Rock Valley Metropolitan Council, I encourage you not to weaken the A-95 review process. I regret that it is too late for the local elected officials who sit on the Council to send you their own letters because they unanimously support local A-95 review.

Over the last ten years several million tax dollars have been saved in the Rock Valley region because local officials were given the opportunity to review local applications for federal funds. Several poorly planned and sometimes unneeded subsidized housing projects have been analyzed and subsequently denied funding through local A-95 review. And it is noteworthy that HUD has lobbied strongly to get its projects exempt from A-95 review.

State A-95 review is inadequate. In both Illinois and Wisconsin the state clearinghouse functions as a clerical rubber stamp without the staff or the geographic proximity to conduct an adequate review. If the money is going to be spent locally, local governments should have a say in how it is spent.

To weaken the control that local government has over federally funded projects will inhibit the efforts of the Reagan administration to cut wasteful spending.

The Rock Valley Metropolitan Council encourages OMB to make A-95 review mandatory for federally funded programs.

Sincerely,

Mike Miles

Mike Miles, Chairman

MM:jj

cc: Ed Harper, Deputy OMB Director ✓
Jim Kelly, Director of Intergovernmental Relations, OMB
Senators and Congressmen for Wisconsin and Illinois

County Of Lake
County Board Office
Room A-1002
County Building
Waukegan, Illinois 60085

312/689-6398

28 October 1981

Mr. David Stockman, Director
Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

It has recently come to my attention that the A-95 Project Notification Review System administered by your office is being considered for elimination. Please be advised that the County of Lake would view any decision to terminate the A-95 process as most unfortunate and, indeed, counterproductive, to the overall effort to foster economy in government.

Lake County has been a willing and active participant in the A-95 process since its inception. It has enabled us to become informed over the years of many federally funded projects proposed for our area and afforded us the opportunity to comment on whether or not those projects would further the County's goals and objectives. Through A-95 review, much potential duplication and conflict have been eliminated at an early stage - clearly a positive feature of the process.

The County of Lake wishes to go on record as being supportive of the A-95 process and opposed to any proposal which would diminish its effectiveness or eliminate it completely.

Sincerely,

Glenn E. Miller

Glenn E. Miller
Chairman

GEM/lam

cc: Richard S. Williamson, Assistant to the
President for Intergovernmental Affairs

Lee Gainer, NARC

DuPage County

Jack T. Knuepfer
COUNTY BOARD CHAIRMAN
682-7282

October 26, 1981

Mr. David Stockman
Director of Cffice Management & Budget
Executive Office Building
Washington, D. C. 20503

Dear Mr. Stockman:

This letter is to advise you of the Du Page County Board's opposition to the proposed elimination of the A-95 review process for federally funded projects. It is our sincere belief that without the A-95 review process, efficiency in government will be greatly affected.

Specifically, the A-95 review process has been very effective in informing local governments and securing input regarding the proposed projects/programs seeking federal funds. This has resulted in an increased coordination among the various levels of government and has avoided duplication of programs, thereby, maximizing our limited financial resources.

The A-95 review process in Du Page County has never been supported by any federal funds. We are fully aware of the time it takes to perform this function, but we are convinced that this time is well spent considering the efficiencies that can be achieved, as well as, the dollars that can be saved for the taxpayer's benefit.

One of the President's goals has been to allocate more responsibility and influence to local governments. We feel that elimination of the A-95 process will work counter to this goal, since A-95 reviews have become an effective forum for local influence on regional, state and even federal plans and programs.

I would hope that you and your staff would seriously reconsider any action relating with the elimination of the A-95 review process. Thank you for your consideration.

Sincerely,

Jack T. Knuepfer
County Board Chairman
JTK/es

cc: Mr. Richard Williamson, Assistant to the President for Intergov. Affairs
Mr. J. Steven Rhodes, Special Assistant to President, for Intergovernmental Affairs

DU PAGE CENTER • 421 N. COUNTY FARM ROAD • WHEATON, IL 60187

DU PAGE COUNTY DEVELOPMENT DEPARTMENT
DuPage Center 421 North County Farm Road Wheaton, Ill. 60187 Joseph H. Abel, Director
Planning 682-7230 Zoning 682-7222 Community Development 682-7638 Building 682-7220 Maps and Plats 682-7240

October 26, 1981

Mr. David Stockman
Director of Office Management & Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

This letter is to advise you that the Du Page County Development Committee is opposed to the elimination of the A-95 review process for federally funded projects. It is our sincere belief that, without A-95 review, efficiency in government will be substantially reduced. We offer four specific arguments in favor of maintaining the A-95 process.

First, the A-95 process has been very successful in identifying external impacts of proposed projects or programs. No program, regardless of its size, is devoid of these so-called "ripple effects". Better informed decisions in funding the projects can be made as a result of the comments made by various affected jurisdictions. Therefore, greater efficiency in the delivery of federally funded services is achieved.

Second, the A-95 process promotes coordination among federal, state, regional and local planning efforts. The various units of government are better able to coordinate goals and policies by receiving comments on plans and programs developed by other levels of government. This results in not only an increased communication between various levels of government, but also provides significant efficiencies through better understanding the impacts of one's policies on other jurisdictions.

Third, an important function of the A-95 process has been to give weight to the needs of local government. One of the goals of the current federal administration has been to allocate more responsibility and influence to local governments. We feel that elimination of the A-95 process will work counter to this goal since the A-95 process has become a forum for local influence of regional, state, and even federal plans and programs.

COUNTY DEVELOPMENT COMMITTEE
RUTH K. KRETSCHMER, Chairman
DON G. PRINDLE, Vice Chairman
RICHARD A. CARLSON
JAMES L. NICHOLS
J. RUSSELL SWANSON

Finally, the A-95 review process has been valuable as a method of informing units of government, as well as, many other interested agencies of the work being done by other groups. Many times, it has been the only way of knowing other agencies' activities. Therefore, to eliminate it, will greatly increase the likelihood of duplication of services resulting in the increased waste of limited public funds.

For these reasons, we feel it would be a serious setback for improving coordination and efficiency in the use of federal funds if the A-95 review process is eliminated. We are fully aware of the time it takes to perform this function, but we are convinced that this time is well spent considering the efficiencies that can be achieved, as well as the dollars that can be saved to the taxpayer.

If you wish to discuss these matters further, I would be happy to meet with you or your staff. Thank you for your consideration.

Sincerely,

Ruth Kretschmer

Ruth Kretschmer, Chairman
Du Page County Development Committee and
Member of the Northeastern Illinois Planning Commission

RK/es

cc: Mr. Richard Williamson, Assistant to the President, for Intergovernmental Affairs
Mr. J. Steven Rhodes, Special Assistant to the President, for Intergovernmental Affairs

McHENRY COUNTY BOARD
McHENRY COUNTY, ILLINOIS
2200 N. SEMINARY AVE. (RT. 47)
WOODSTOCK, ILL. 60098

OFFICE OF
CHAIRMAN OF THE BOARD

PHONE 338-2040, EXT. 22
AREA CODE 815

January 12, 1982

Mr. David Stockman, Director
Office of Management & Budget
Executive Office Building
Washington, D. C. 20503

Dear Mr. Stockman:

My attention has been alerted to the possibility of elimination of the A-95 Project Notification Review System administrated by your office. McHenry County would view any possible deletion of the A-95 process as unresponsive to the government's efforts to control costs.

McHenry County has participated in the A-95 process since its beginning and I feel without it could result in a serious lack of coordination between local activities and federally funded projects. If it is to be eliminated, we will greatly increase the possibility of duplication of services resulting in waste of our limited public funds.

McHenry County is requesting to be counted as for the continuation of the A-95 process and strongly opposes any possible reduction or elimination of this service.

Sincerely,

Ronald J. Morris
Chairman of the Board

RJM:b

cc: Richard Williamson
Lee Gainer

McHENRY COUNTY DEPARTMENT OF PLANNING
2200 NORTH SEMINARY AVENUE WOODSTOCK, ILLINOIS 60098 815 338-2040

October 23, 1981

David Stockman, Director
Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman,

This agency has been informed that the Office of Management and Budget is presently considering the elimination of the A-95 Review and Comment Program. I feel that this action may result in a serious lack of coordination between local activities and federally funded projects.

Local agencies are in a position to recognize many problems (physical problems with selected sites, economic consequences of a project, etc.) which might not otherwise be identified.

It is important that projects, funded by public monies, are reviewed in light of local needs and in accordance with local plans and policies. This not only ensures a degree of cooperation between local and federal concerns, but also among local agencies themselves.

Experience has shown that often times, the first word of a pending project comes thru the A-95 notification procedures. If this notification does not occur, local decision makers might not otherwise be able to express their concerns before funding is awarded.

I sincerely believe that the elimination of this program will exacerbate an existing alienation between local officials and the federal government.

I would be glad to discuss this matter further should you desire to do so.

Sincerely,

Stephen E. Aradas

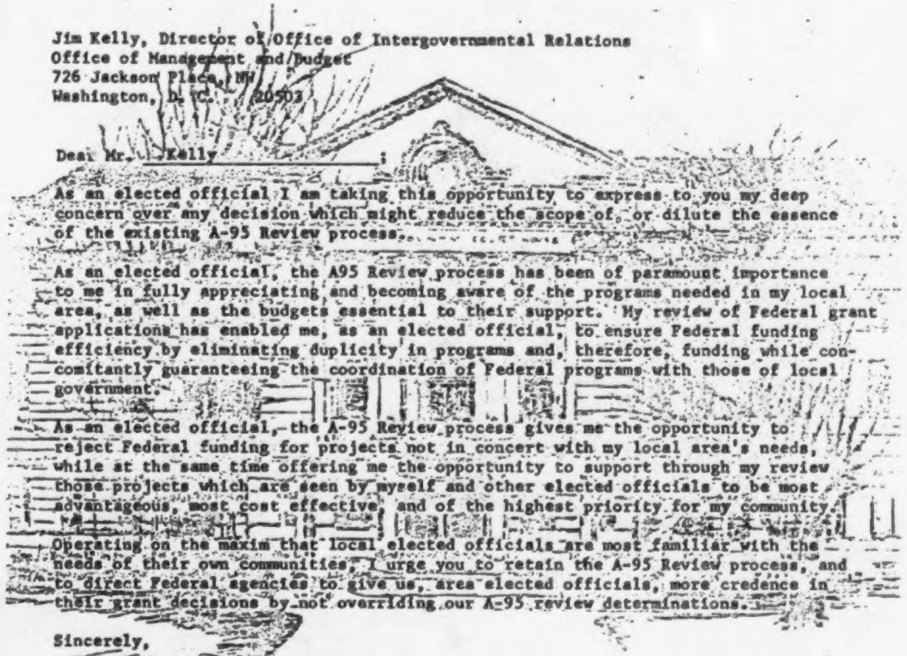
Stephen E. Aradas
Director

Stephen E. Aradas, Director

DeKalb County Commissioners
JAMES HERZER ROBERT WILDER BRUCE GURTNER
COURT HOUSE AUBURN, INDIANA 46706 (317) 925-2362

December 1, 1981

Jim Kelly, Director of Office of Intergovernmental Relations
Office of Management and Budget
726 Jackson Place, NW
Washington, D. C. 20503



Dear Mr. Kelly;

As an elected official I am taking this opportunity to express to you my deep concern over any decision which might reduce the scope of, or dilute the essence of the existing A-95 Review process.

As an elected official, the A95 Review process has been of paramount importance to me in fully appreciating and becoming aware of the programs needed in my local area, as well as the budgets essential to their support. My review of Federal grant applications has enabled me, as an elected official, to ensure Federal funding efficiency by eliminating duplicity in programs and, therefore, funding while concomitantly guaranteeing the coordination of Federal programs with those of local government.

As an elected official, the A-95 Review process gives me the opportunity to reject Federal funding for projects not in concert with my local area's needs, while at the same time offering me the opportunity to support through my review those projects which are seen by myself and other elected officials to be most advantageous, most cost effective, and of the highest priority for my community.

Operating on the maxim that local elected officials are most familiar with the needs of their own communities, I urge you to retain the A-95 Review process, and to direct Federal agencies to give us, area elected officials, more credence in their grant decisions by not overriding our A-95 review determinations.

Sincerely,

James C. Herzer DL

James C. Herzer, Chairman
DEKALB COUNTY COMMISSIONERS

dk

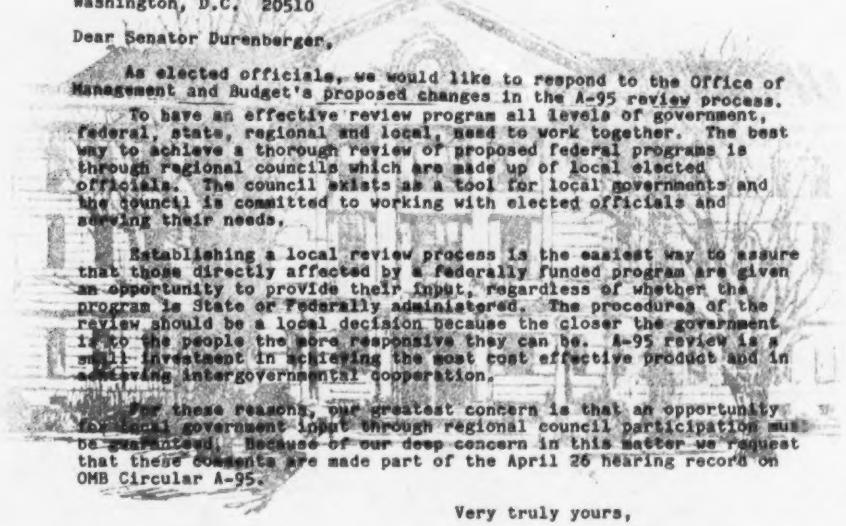
DeKalb County Commissioners

JAMES HERZER ROBERT WILDER BRUCE GURTNER

COURT HOUSE AUBURN, INDIANA 46706 (317) 925-2362

May 18, 1982

Senator David Durenberger, Chairman
Senate Intergovernmental Relations Subcommittee
Room 507 - Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510



Dear Senator Durenberger,

As elected officials, we would like to respond to the Office of Management and Budget's proposed changes in the A-95 review process.

To have an effective review program all levels of government, federal, state, regional and local, need to work together. The best way to achieve a thorough review of proposed federal programs is through regional councils which are made up of local elected officials. The council exists as a tool for local governments and the council is committed to working with elected officials and serving their needs.

Establishing a local review process is the easiest way to assure that those directly affected by a federally funded program are given an opportunity to provide their input, regardless of whether the program is State or Federally administered. The procedures of the review should be a local decision because the closer the government is to the people the more responsive they can be. A-95 review is a small investment in achieving the most cost effective product and in achieving intergovernmental cooperation.

For these reasons, our greatest concern is that an opportunity for local government input through regional council participation must be guaranteed. Because of our deep concern in this matter we request that these comments are made part of the April 26 hearing record on OMB Circular A-95.

Very truly yours,

DEKALB COUNTY COMMISSIONERS

Robert Wilder
Robert Wilder

James Herzer
James Herzer

Bruce Gurtner
Bruce Gurtner

CITY OF DECATUR, INDIANA
CITY HALL
DECATUR, INDIANA 46733

OFFICE OF MAYOR
PHONE - 219 724-7171

OFFICE OF CLERK-TREASURER
PHONE - 219 724-4307

December 1, 1981

David Stockman
Director
Office of Management and Budget
726 Jackson Place, Northwest
Washington, D.C. 20503

Dear Mr. Stockman:

As an elected official I am taking this opportunity to express to you my deep concern over any decision which might reduce the scope of, or dilute the essence of the existing A-95 Review process.

As an elected official, the A-95 Review process has been of paramount importance to me in fully appreciating and becoming aware of the programs needed in my local area, as well as the budgets essential to their support. My review of Federal grant applications has enabled me, as an elected official, to ensure Federal funding efficiency by eliminating duplicity in programs and, therefore, funding while concomitantly guaranteeing the coordination of Federal programs with those of local government.

As an elected official, the A-95 Review process gives me the opportunity to reject Federal funding for projects not in concert with my local area's needs, while at the same time offering me the opportunity to support through my review those projects which are seen by meself and other elected officals to be most advantageous, most cost effective, and of the highest priority for my community.

Operating on the maxim that local elected officials are most familiar with the needs of their own communities, I urge you to retain the A-95 Review process, and to direct Federal agencies to give us, area elected officials, more credence in their grant decisions by not overriding our A-95 Review determinations.

Sincerely,

Harold B. Miller
Harold B. Miller
Mayor, City of Decatur

HM/sn

CITY OF DECATUR, INDIANA
CITY HALL
DECATUR, INDIANA 46733

OFFICE OF MAYOR
PHONE - 219 724-7171

OFFICE OF CLERK-TREASURER
PHONE - 219 724-4307

Senator David Durenberger, Chairman
Senate Intergovernmental Regulations Subcommittee
Room 507 - Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510

Dear Senator Durenberger:

As an elected official, I would like to respond to the Office of Management and Budget's proposed changes in the A-95 review process.

To have an effective review program all levels of government, federal, state, regional and local, need to work together. The best way to achieve a thorough review of proposed federal programs is through regional councils which are made up of local elected officals. The council exists as a tool for local governments and the council is committed to working with elected officals and serving their needs.

Establishing a local review process is the easiest way to assure that those directly affected by a federally funded program are given an opportunity to provide their input, regardless of whether the program is State or Federally administered. The procedures of the review should be a local decision because the closer the government is to the people the more responsive they can be. A-95 review is a small investment in achieving intergovernmental cooperation.

For these reasons, my greatest concern is that an opportunity for local government input through regional council participation must be guaranteed. Because of my deep concern in this matter I request that these comments are made part of the April 26 hearing record on OMB Circular A-95.

Very truly yours,

Harold B Miller
Harold B. Miller, Mayor
City of Decatur

HM:sn
cc:NIRCC

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEN

Room 200, City-County Building • Fort Wayne, Indiana 46802 • Phone: (219) 423-7007

JACK K. DUNIFON, RICHARD M. ELLENWOOD, RICHARD M. REGEDANZ

December 3, 1981

David Stockman
Director
Office of Management and Budget
726 Jackson Place, Northwest
Washington, D.C. 20503

Dear Mr. Stockman:

As elected officials we are taking this opportunity to express to you our deep concern over any decision which might reduce the scope of, or dilute the essence of the existing A-95 Review process.

As elected officials, the A-95 Review process has been of paramount importance to us in fully appreciating and becoming aware of the programs needed in our local area, as well as the budgets essential to their support. Our review of Federal grant applications has enabled us, as elected officials, to ensure Federal funding efficiency by eliminating duplicity in programs and, therefore, funding while concomitantly guaranteeing the coordination of Federal programs with those of local government.

As elected officials, the A-95 Review process gives us the opportunity to reject Federal funding for projects not in concert with our local area's needs, while at the same time offering us the opportunity to support through our review those projects which are seen by ourselves and other elected officials to be most advantageous, most cost effective, and of the highest priority for our community.

Operating on the maxim that local elected officials are most familiar with the needs of their own communities, we urge you to retain the A-95 Review process, and to direct Federal agencies to give us, area elected officials, more credence in their grant decisions by not overriding our A-95 review determinations.

Sincerely,

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEN

Richard M. Regedanz

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEN

Room 200, City-County Building • Fort Wayne, Indiana 46802 • Phone: (219) 423-7007

JACK K. DUNIFON, RICHARD M. ELLENWOOD, RICHARD M. REGEDANZ

May 14, 1982

Senator David Durenberger, Chairman
Senate Intergovernmental Relations Subcommittee
Room #507 Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510

Dear Senator Durenberger:

As elected officials we would like to respond to the Office of Management and Budget's proposed changes in the A-95 review process.

To have an effective review program all levels of government, federal, state, regional and local, need to work together. The best way to achieve a thorough review of proposed federal programs is through regional councils which are made up of local elected officials. The council exists as a tool for local governments and the council is committed to working with elected officials and serving their needs.

Establishing a local review process is the easiest way to assure that those directly affected by a federally funded program are given an opportunity to provide their input, regardless of whether the program is State or Federally administered. The procedures of the review should be a local decision because the closer the government is to the people the more responsive they can be. A-95 review is a small investment in achieving the most cost effective product and in achieving intergovernmental cooperation.

For these reasons, our greatest concern is that an opportunity for local government input through regional council participation must be guaranteed. Because of our deep concern in this matter we request that these comments are made part of the April 26 hearing record on OMB Circular A-95.

Very truly yours,

ALLEN COUNTY BOARD OF COMMISSIONERS

Richard M. Ellenwood

Richard M. Regedanz

Jack K. Dunifon

BD/of/COMM:jkc

cc: NIRCC

Office Phone: 537-1676

HENRY NANZ, Mayor
CITY OF LAWRENCEBURG

Lawrenceburg City Administration Building
Eads Parkway (U.S. 50) and Main Street (Ind. 1)
LAWRENCEBURG, INDIANA 47025

December 1, 1981

Mr. David Stockman, Director
U.S. Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Stockman:

It has come to our attention that OMB is nearing a decision on the A-95 review process. We would like to register our support of the process as a local community. The A-95 review process has proven to be a valuable tool for our local government. It has enabled us to monitor federal programs in the community as an effective means of preventing duplication, and has been especially useful in coordinating programs and activities at the local level, as well as the state and federal levels. The process has encouraged citizen participation and has been an effective way to obtain citizen input into local activities.

With the consolidation of the federal grant programs and the current budget tightening, this A-95 coordination is intrinsic to the transition. We would urge that OMB continue to enforce the regulations of OMB Circular A-95 and encourage the States to do so as well.

Sincerely yours,

Henry Nanz
Mayor of Lawrenceburg

HN/cm

cc: Ed Harper, Deputy OMB Director ✓
Jim Kelley, Director
Office of Intergovernmental Relations

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

4-019462S118002 04/28/82 ICS IPMBNGZ CSP LVLC
1 5027812381 MGM TDBN BOWLING GREEN KY 04-28 1123A EST

JACK EVERSOLE, BARREN RIVER AREA DEVELOPMENT
DISTRICT
PO BOX 2120
BOWLING GREEN KY 42101

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

5027812381 MGM TDBN BOWLING GREEN KY 154 04-28 1123A EST
ZIP
RICHARD S WILLIAMSON, ASSISTANT TO THE
PRESIDENT FOR INTER-GOVERNMENTAL AFFAIRS
RM 87 OEOB THE WHITE HOUSE
WASHINGTON DC 20500

IN RESPONSE TO YOUR APRIL 16TH NOTICE OF INTENT TO REPLACE CIRCULAR A-95 WITH AN EXECUTIVE ORDER, WE RESPECTFULLY SUGGEST THAT YOU HAVE NOT AFFORDED LOCAL GOVERNMENTS AN OPPORTUNITY TO PROTEST THEIR EXCLUSION FROM EFFECTIVE PARTICIPATION IN THE CLEARINGHOUSE PROCESS. THE A-95 PROCESS IN OUR AREA HAS PREVENTED MILLIONS OF DOLLARS IN WASTE AND DUPLICATION BY FEDERAL AGENCIES. WE CONSIDER THIS REPUDIATION OF OUR EFFORTS TO BE A RETURN TO THE OLD WAYS OF HIGH-HANDED FEDERAL ACTION.

WE ASK THAT THIS PROPOSAL BE RE-CONSIDERED AND LOCAL GOVERNMENTS INSURED AN OPPORTUNITY TO PARTICIPATE IN ANY REVISIONS.

THESE VIEWS ARE EXPRESSED ON BEHALF OF THE LOCAL GOVERNEMENTS IN THE KENTUCKY COUNTIES OF ALLEN, BARREN, BUTLER, EDMONSON, HART, LOGAN, METCALFE, MONROE, SIMPSON AND WARREN.

JACK EVERSOLE, BARREN RIVER AREA DEVELOPMENT DISTRICT
PO BOX 2120
BOWLING GREEN KY 42101

1155 EST

MGMCOMP MGM

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

The Mayor

December 4, 1981

Mr. David Stockman, Director
U. S. Office of Management and
Budget
Executive Office of the
President
Washington, D. C. 20503

Dear Mr. Stockman:

It has come to our attention that OMB is nearing a decision on the A-95 review process. We would like to register our support of the process as a local community. The A-95 review process has proven to be a valuable tool for our local government. It has enabled us to monitor federal programs in the community as an effective means of preventing duplication, and has been especially useful in coordinating programs and activities at the local level, as well as at the state and federal levels. The process has encouraged citizen participation and has been an effective way to obtain citizen input into local activities.

With the consolidation of the federal grant programs and the current budget tightening, this A-95 coordination is intrinsic to the transition. We would urge that OMB continue to enforce the regulations of OMB Circular A-95 and encourage the States to do so as well.

Sincerely,

G. H. Lynn
Mayor

GL/cj

cc: Ed Harper, Deputy OMB Director
Jim Kelley, OMB, Director of the
Office of Intergovernmental Relations

KIPDA

Kentuckiana Regional
Planning and Development Agency

914 EAST BROADWAY
LOUISVILLE, KENTUCKY 40204

PHONE
(502) 589-4406

April 28, 1982

Richard Williamson
Assistant to the President for
Intergovernmental Affairs
The White House
1600 Pennsylvania Avenue
Washington, D. C.

Dear Mr. Williamson:

Thank you for giving this agency an opportunity to comment upon the proposed changes in the A-95 Review Process.

The board of directors of the Kentuckiana Regional Planning and Development Agency consists of 25 locally elected officials from a two-state metropolitan area. The board has gone on record on a number of occasions supporting the A-95 Review process and urging strengthening the present policies as a means of assuring local governments will have a meaningful role in the review process.

The members of the board consider the A-95 Review process, as it exists, as a vital source of information and they are concerned that change in the name of "reducing paperwork" will have the result of minimizing the role of local governments, or in some instances, cutting them out altogether of the process.

While it always is admirable to improve and streamline programs, it is also important not to begin making changes only for the sake of change. The board essentially considers the existing review process better than the proposed changes outlined in your Mailgram of April 16, 1982.

Our comments about the proposals are:

The proposed policy changes assume that state and local governments' interests coincide and that each work together in some automatic fashion. This is often not the case. A strong role for local governments in the review process should be assured from the beginning, as it is now.

Regional agencies such as KIPDA are extremely effective implementing intergovernmental policies on the local level. The A-95 Review process is an example. The federal government should work closer with the regional agencies as a means of improving coordination with local governments.

Planning should never be an "imposition" and all planning is not an "imposition". Sound, practical planning should be insisted upon to ensure local governments have a legitimate voice in programs and that federal money is spent in workable programs dealing with real problems. The federal government should not accept every plan as submitted by a state as representative unless it is assured that local governments have had an opportunity to participate in a meaningful way.

The A-95 Review process works successfully in the KIPDA region where the locally elected officials have conscientiously put the process into practice. The board considers the current regulations as practical and workable. Any dilution of the process, as suggested, will be interpreted as releasing applicants, federal agencies and state agencies from the responsibility of submitting an application for a substantive local review. The existing process is a better framework for a successful and enduring review program.

I hope these comments have been helpful to you. Thank you again for the opportunity to comment.

Sincerely,

Neil Farris
Executive Director

NF/njw

cc: File

CAMPBELL COUNTY
Office of County Judge/Executive
24 W. 4TH ST. • (P.O. BOX 340) • NEWPORT, KENTUCKY 41072

LAMBERT HEHL

TELEPHONE
(606) 292-3838

December 1, 1981

Mr. David Stockman, Director
U.S. Office of Management and
Budget
Executive Office of the
President
Washington, D.C. 20503

Dear Mr. Stockman:

It has come to our attention that OMB is nearing a decision on the A-95 review process. We would like to register our support of the process as a local community. The A-95 review process has proven to be a valuable tool for our local government. It has enabled us to monitor federal programs in the community as an effective means of preventing duplication, and has been expecially useful in coordinating programs and activities at the local level, as well as at the state and federal levels. The process has encouraged citizen participation and has been an effective way to obtain citizen input into local activities.

With the consolidation of the federal grant programs and the current budget tightening, this A-95 coordination is intrinsic to the transition. We would urge that OMB continue to enforce the regulations of OMB Circular A-95 and encourage the States to do so as well.

Sincerely,

Lambert Hehl
LAMBERT HEHL
County Judge/Executive

cc: Ed Harper, Deputy OMB Director
Jim Kelley, OMB, Director of the
Office of Intergovernmental Relations

Green River Area Development District
P. O. Box 628
Owensboro, Kentucky 42302
(502) 926-4433
(502) 826-5183

May 13, 1982

Senator Durenberger
Senate Intergovermmental Relations
Subcommittee
Room 507, Carroll Arms
301 1st Street, N.E.
Washington, D.C. 20510

Dear Senator Durenberger:

The Board of Directors of the Green River Area Development District has reviewed a mailgram from Richard Williamson of the White House staff regarding proposed changes to the A-95 process.

The Board wishes to make the following comment: "If there is to be a shift of the A-95 process from the federal government to the states, we support that shift as long as the local governmental units, the regional clearinghouses and interested citizens retain the opportunity they've had in the past to have input on projects financed with public dollars. We feel the local units of government must be given the option for A-95 review even if the state should choose not to set up a review system."

In addition to those comments, I have attached a letter from Kentucky Governor John Y. Brown in which his position is outlined. The Board wishes to be on record in support of that letter.

We ask that the Board's comments and Governor Brown's letter be made a part of the record of testimony which was heard on April 26 regarding changes to A-95.

Thank you for consideration of our position.

Sincerely yours,

James L. Youngquist

James L. Youngquist
Executive Director

JLY/vh

Attachments

cc: Senator Wendell Ford
Senator Walter "Dee" Huddleston
Congressman William Natcher
Congressman Mazzoli
Congressman Snyder
Congressman Rogers
Congressman Hopkins
Congressman Perkins

DAVIESS • HANCOCK • HENDERSON • McLEAN • OHIO • UNION • WEBSTER

John Y. Brown, Jr.
Governor

Commonwealth
of Kentucky

Office of the Governor
Frankfort, Kentucky 40601

April 29, 1982

Mr. Richard S. Williamson
Assistant to the President for
Intergovernmental Affairs
The White House
Washington, D.C. 20500

Dear Mr. Williamson:

It was with great interest that I read your Mailgram concerning the long awaited changes to OMB Circular A-95. Initially, I would like to applaud the decision to maintain a review and comment mechanism as currently authorized by the Intergovernmental Cooperation Act of 1968. In Kentucky, we have had great success with this system both at the state and areawide level. I personally feel a bilevel system such as this affords the federal government a comprehensive insight into the possible ramifications a federal venture may cause at the state and local levels. In reviewing your correspondence I was encouraged to find nothing to prevent this same system from being utilized into the future.

Although I agree with the basic theme of obtaining state and local input on federal initiatives, I forsee substantial difficulties in implementing and enforcing a process that fosters fifty (50) diverse sets of regulations. Rather than creating an unmanagable system which has the potential of negating the past 14 years of improvements made in the A-95 system, I would recommend that the Office of Management and Budget develop uniform parameters which allow the state and areawide clearinghouses enough flexibility to design an effective system while, at the same time, are definitive enough to allow for easy assimilation by impacted federal agencies.

In closing, please accept my offer to assist in any way possible in implementing an effective review system at the state and local level. I have instructed the Kentucky Department of Local Government to stay abreast of this issue and, when requested, to offer any assistance which would be beneficial.

Sincerely yours,

John Y. Brown

John Y. Brown, Jr.
Governor

cc: Senator Durenberger

OFFICE OF THE MAYOR
CITY OF BOSSIER CITY, LOUISIANA

MARVIN E. ANDING
MAYOR

November 24, 1981

Mr. David Stockman
Director
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Stockman:

It has come to our attention that final decisions concerning the budget status of the A-95 Review Process will be made soon.

The attached letter clearly outlines the position held by the Shreve Area Council of Governments, (SA-COG), in regards to the A-95 Process in the Shreveport SMSA.

We respectfully request your support in the retention of this process at the Metropolitan level.

Sincerely,

Marvin E. Anding

Mayor Marvin E. Anding
Chairman/SA-COG

LPKirkpatrick:lpk

Attachment

cc: U. S. Senator J. Bennett Johnston, Jr.
U. S. Senator Russell Long
Congressman Buddy Roemer
Mr. Justin R. Ormbsy, Federal A-95 Coordinator
Mr. Linton Ardoin, Secretary - Office of State Clearinghouse

OFFICE OF THE MAYOR
CITY OF BOSSIER CITY, LOUISIANA

Marvin E. Anding
Mayor

November 6, 1981

Mr. Linton Ardoin, Secretary
Office of State Clearinghouse
LA Department of Urban and
Community Affairs
5790 Florida Boulevard
Baton Rouge, LA 70806

Dear Mr. Ardoin:

The Shreve Area Council of Governments (SA-COG) has worked well with your Department through the years and we want to thank you for your cooperation.

SA-COG, at its last meeting, unanimously voted to retain all functions including the A-95 clearinghouse and reviewing agency function for the Shreveport SMSA, because of the large number of elected officials on the SA-COG Council and the difference in the nature of the SMSA from any larger geographical area.

SA-COG is also listed in the Operation and Function Manuel For Office of State Clearinghouse as the A-95 reviewing agency for the Shreveport SMSA.

The A-95 process, since the inception of the program, has been funded totally by 701 grant monies which will not be available after June 30, 1982. Without 701 funding, SA-COG will have no funds to administer the A-95 Review Process. We have been advised that our request for State funds to continue this operation has been dropped from your budget.

Since most of the Clearinghouses in Louisiana have been receiving State funds for A-95 clearinghouse activities for years, it is the desire of a majority of the elected officials in our area that SA-COG remain the A-95 clearinghouse for the Shreveport SMSA. We fail to see the reason for the failure of our request. This also appears to be the feeling of other Clearinghouses (i.e. Alexandria and Lafayette). Therefore, we are requesting that we be furnished an explanation in writing of the reasons for denial of these funds.

A presentation to the SA-COG Council will be made at its next meeting on November 19, 1981. If possible, have a representative of your office present to answer questions of the Council.

Sincerely,

Mayor Marvin E. Anding
Chairman/SA-COG

RMBrown:lpk

cc: Honorable Dave Treen, Governor
Mr. Justin Ormsby, Federal A-95 Coordinator
SA-COG Members

bcc: Mr. Albert C. Sonnier, Lafayette COG
Mr. Geralld C. McKinney, Rapides Area PC

MARYLAND
DEPARTMENT OF STATE PLANNING
301 W. PRESTON STREET
BALTIMORE, MARYLAND 21201

HARRY HUGHES
GOVERNOR

CONSTANCE LIEDER
SECRETARY

April 21, 1982

Ms. Pam Hess
Professional Staff
Subcommittee on Intergovernmental
Relations
Suite 507, Carroll Arms Building
Washington, D.C. 20510

Dear Ms. Hess:

I am attaching a brief statement regarding Office of Management and Budget Circular A-95, for Senator Durenberger's hearing on that subject scheduled for 9:30 A.M. on April 26, 1982.

Sincerely,

Jim McConnaughhay

James W. McConnaughhay
Director, State Clearinghouse

JMc:pm

TELEPHONE: 301-383-7875
OFFICE OF STATE CLEARINGHOUSE

STATEMENT REGARDING
OMB CIRCULAR A-95 PROCEDURES
IN THE STATE OF MARYLAND

The Office of Management and Budget's Circular A-95 was developed to implement the Intergovernmental Cooperation Act of 1968. This Act resulted in the enactment of legislation and designation by the Governor of the Maryland State Clearinghouse with the responsibility for "a review and analysis of all federal grants loans or services of any types available to this State, and State grants to local governments including an analysis of the impact on this State of existing and proposed future programs."

The A-95 review process has been of great value to Maryland. It has strengthened the ability of the Governor and local government executives to manage and adjust to those Federal assistance and development programs impacting State and local resources and policies. The centralized review procedures utilized by the Clearinghouse have provided an effective means of compliance with the requirements of the Intergovernmental Cooperation Act that "all viewpoints --- national, state, regional and local --- shall to the extent possible be taken into account in planning Federal or federally assisted development programs and projects". This has resulted in a reduction of conflicting efforts and duplication among jurisdictions at all levels. The importance and effectiveness of the A-95 review functions of the Maryland State Clearinghouse has been recognized by the governors and legislators of Maryland, who have broadened its scope through Supplementary laws and regulations.

We consider it essential that the review of Federal assistance programs as currently required by OMB Circular A-95 be continued. The A-95 review provides the means for notification of proposed programs and permits the necessary intergovernmental coordination.

We do not consider that the A-95 review system is perfect but we do think that it has been a good, effective system. The primary deficiency in the system is that some agencies do not comply with the regulations.

The proposed new policies for the Executive Order as stated in the April 19 Mailgram from Mr. Richard Williamson, Assistant to the President for Intergovernmental Affairs, to Mr. Steven Farber are entirely acceptable, but we are concerned regarding the implementing procedures for the Federal departments and agencies. The State of Maryland would expect to continue its existing review procedures which provide a central location for assembling and evaluating legitimate concerns regarding proposed projects and programs and allow the opportunity to mediate and resolve problems on a timely basis prior to submission to Federal funding agencies. However, unless the Federal agencies are required to develop procedures which require the submission of proposals to the State review coordinating agency by applicants as a prerequisite for funding, the system will not be effective.

In conclusion, the new policies are acceptable provided they are properly implemented, otherwise we are satisfied with the existing A-95 system in Maryland.

Regional Planning Council
2225 North Charles Street Baltimore, Maryland 21218 (301) 383-5838
J. Hugh Nichols, *Chairman* Walter J. Kowalczyk, Jr., *Executive Director*

October 16, 1981

The Honorable Charles McC. Mathias, Jr.
358 Russell Senate Office Building
Washington, D.C. 20510

Dear Senat~~or Mathias~~ Mac:

The Regional Planning Council is extremely concerned about a proposal in several quarters to abolish or diminish the A-95 Review and Referral functions established by the Office of Management and Budget. It is understood that the Secretary of Housing and Urban Development has taken a position in opposition to his agency's continued participation in A-95, and the Task Force on Regulatory Relief has included the A-95 Circular on the list of regulations to be considered for elimination.

Please be advised that the membership of the Regional Planning Council is on record as unanimously favoring the continuation of comprehensive A-95 procedures. The Council's position is that local governments are well served by the A-95 requirements for information dissemination and exchange, as well as by the opportunities for policy-making afforded by the review process. And, of course, all citizens benefit from a review format which can identify duplication of effort or projects of questionable desirability.

As Council Chairman, I urge you to do all in your power to retain this helpful and comparatively non-bureaucratic federal requirement. I would be happy to forward any further information you desire, including specific examples of the review process and its subsequent beneficial effect.

Sincerely yours,

Hugh

J. Hugh Nichols
Chairman

Baltimore City Anne Arundel County Baltimore County Carroll County Harford County

Regional Planning Council
2225 North Charles Street Baltimore, Maryland 21218 (301) 383-5838
J. Hugh Nichols, *Chairman* Walter J. Kowalczyk, Jr., *Executive Director*

May 17, 1982

Senator David Durenberger, Chairman
Senate Intergovernmental Relations Subcommittee
Room 507 Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510

Dear Senator Durenberger:

The Regional Planning Council, a council of governments established by the State of Maryland and serving the Baltimore Metropolitan area, wishes to express its opposition to any proposal to abolish or diminish A-95 Review and Referral functions.

Please be advised that on September 18, 1981, the membership of the Regional Planning Council unanimously adopted a motion favoring the continuation of comprehensive A-95 procedures. The Council's position is that local governments are well-served by the A-95 requirements for information dissemination and exchange, as well as by the opportunities for policy-making afforded by the review process.

Kindly make the above comments a part of the hearing record of the April 26 hearing on A-95.

Sincerely yours,

Stephanie O'Hara, Coordinator
Metropolitan Clearinghouse

cc: Richard C. Hartman, Executive Director, National Association of Regional Councils

Baltimore City Anne Arundel County Baltimore County Carroll County Harford County Howard County State of Maryland

mapc
METROPOLITAN AREA
PLANNING COUNCIL
110 TREMONT ST.
BOSTON, MA 02108
Tel. (617) 451-2770

April 29, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
White House
Washington, D.C.

Dear Mr. Williamson:

This is in response to your request for comments on a draft proposal for revising the A-95 review and comment process.

As the regional planning agency for 101 cities and towns in metropolitan Boston, we believe the proposed policies may streamline the process at the cost of reducing effective input by local governments in federal decision-making.

Local officials in our metro area have found that current A-95 procedures give them critical advance notice of pending federal actions and allow them to signal problems at an early stage so that they can be ironed out by responsive federal agencies before these agencies are committed to actions that will meet hardened resistance at the local level.

Because the proposed revisions to the current A-95 process would constitute a major change in the way local governments have participated in the federal decision-making process, we strongly urge that they be promulgated in a circular, rather than in an executive order, with a 30- to 60-day comment period to provide adequate time for our local communities to review and comment upon them.

We encourage the direction you are taking but believe that both the proposed policy initiatives and the more detailed procedures to follow must go through a formal public review and comment process, if they are to be implemented in a manner that seeks not just the form but the real substance of local input.

Respectfully yours,

Jonathan G. Truslow
Deputy Executive Director/
Director of Planning

JGT:lb
cc: Richard C. Hartman, NARC

Elizabeth A. Bransfield, president William C. Sawyer, vice-president Richard M. Doherty, secretary Patricia A. Brady, treasurer
Executive Director Donald E. Megathlin Jr.

COMMONWEALTH OF MASSACHUSETTS
Franklin County
DEPARTMENT OF PLANNING
COURT HOUSE, GREENFIELD, MASS. 01301
(413) 774-3167

November 23, 1981

The Honorable David R. Durenberger
Russell Office Building
Room 353
Washington, D.C. 20510

Dear Senator Durenberger:

I noticed in this month's issue of APA Newsletter that your committee was gathering information on the value of OMB Circular A-95.

Toward that effort I am enclosing a letter I sent to David Stockman in July giving my comments on A-95. I trust you will find it helpful.

Sincerely,

Frederick J. Muehl
Planning Director

FJM:jmn
Encl.

COMMONWEALTH OF MASSACHUSETTS
Franklin County
DEPARTMENT OF PLANNING
COURT HOUSE, GREENFIELD, MASS. 01301
(413) 774-3167

July 15, 1981

Mr. David Stockman, Director
Office of Management and Budget
Executive Office Building
Washington, DC 20503

Dear Director Stockman:

A recent issue of Housing Development Register published by the Bureau of National Affairs, Inc. (July 6, Vol. 9, No. 6) reported HUD Assistant Secretary for Community Planning and Development Stephen Ballinger as stating HUD is planning to attempt to remove its programs from A-95 review and possibly eliminate the A-95 process altogether.

While I can understand a real or perceived feeling of over-regulation on the part of all levels of government, I feel A-95 is a poor process to single out. As a matter of fact I find A-95 to be an economical, fairly smooth device which ensures that the Federal government is, in fact, not duplicating or sending out competing funds. As the director of a rural regional clearinghouse I can say without doubt the notification process allows us to indicate to the federal funding agency the wisdom or non-wisdom of each request.

Furthermore, as the clearinghouse manager I can sympathize with the concern that comments received are sometimes more emotional than objective. I think this problem could be lessened by some tighter guidelines on the subject of comments. The delays, if any, to the applicant are not substantial. They would be even less if applicants filed a "Notification of Intent" as prescribed by OMB A-95 rather than waiting for the application phase. Here again, OMB and the funding agencies could be more helpful by assisting applicants more closely.

This office performed 61 reviews in FY'81. Ninety percent of the proposals were routinely processed with no delay to the applicant. The cost to the Federal government was no more than $1000 via the HUD 701. The remaining funds which provided for staff time were gladly appropriated by the County of Franklin. The amount of county funds spent was approximately three times that of 701.

In closing, I feel that the small amount of money that is spent on reviews is insignificant in terms of Federal expenditures and further feel that the funding agency's capability of having a local knowledge network is in fact a businesslike way of operating a large entity such as the Federal beaurocracy. It is a network that would be sorely missed if abolished. If the network needs anything, it may need some fine tuning - complete disconnection is a poor public policy.

I thank you in advance for examining the contents of this letter and if you care to discuss it at greater length, I, of course, am most willing.

Sincerely,

Frederick J. Muehl
Planning Director

FJM:me

mvpc
merrimack valley planning commission
[redacted] street, haverhill, massachusetts 01830 (617) 374-0519
360 Main Street

May 13, 1982

The Honorable David Durenberger,
Chairman
Senate Intergovernmental Relations
Subcommittee
Room 507 Carroll Arms Building
301 1st Street, N.E
Washington, D.C. 20510

Dear Senator Durenberger:

Attached is a letter sent to Mr. Richard Williamson, Assistant to the President for Intergovernmental Affairs. We respectfully request that you make the comments in this letter part of the hearing record of the April 26 hearing on OMB Circular A-95.

Very truly yours,

William E. Slusher

William E. Slusher
Chairman - A-95 Review
Committee

cc: NARC
William E. Slusher

amesbury andover boxford georgetown groveland haverhill lawrence merrimac methuen newbury newburyport north andover rowley salisbury west newbury

mvpc
merrimack valley planning commission
[redacted] street, haverhill, massachusetts 01830 (617) 374-0519
350 Main Street

April 28, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. Williamson:

The Merrimack Valley Planning Commission's A-95 Review Committee has reviewed the proposed policy on restructuring the A-95 procedure. We are in general agreement with the proposed changes. However, where states will be substituting a state system for the federally required system the MVPC would further add that states be encouraged to follow procedures similar to the existing A-95 system with existing local review agencies. Given that in many states there already exists reviewing authorities you should encourage the retention of these agencies by the states and local governmental units so as to avoid additional layers of bureaucracy while assuring valuable reviews of proposed projects.

Very truly yours,

William E. Slusher /mn

William E. Slusher
Chairman - A-95 Review
Committee

cc: NARC
William E. Slusher

amesbury andover boxford georgetown groveland haverhill lawrence merrimac methuen newbury newburyport north andover rowley salisbury west newbury

LOWER PIONEER VALLEY
REGIONAL PLANNING COMMISSION

26 Central St., West Springfield, Massachusetts 01089, Tel. 413-781-6045

TIMOTHY W. BRENNAN
Executive Director

May 24, 1982

Senator David Durenberger, Chairman
Senate Intergovernmental Relations Subcommittee
Room #507 - Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510

Reference: Comments on Proposed Revisions to A-95 Clearinghouse Review Process

Dear Senator Durenberger:

On behalf of the Lower Pioneer Valley Regional Planning Commission (LPVRPC) which serves the 43 cities and towns comprising Hampden and Hampshire Counties in Western Massachusetts, I have attached a series of brief comments and suggestions regarding draft Office of Management and Budget (OMB)-proposed revisions to the A-95 review process. We would appreciate your making these comments part of the record of the April 26th public hearing at which your committee addressed OMB's proposed modifications of A-95 review policies and procedures. Our organization appreciates your committee's efforts to solicit review comments and suggestions on the A-95 process before such revisions become finalized. Moreover, we applaude your efforts to have the final draft version of OMB's proposed A-95 revisions circulated for public review and comment.

If you should have any questions regarding the attached comments, please feel free to contact me. Thank you.

Very truly yours,

Timothy W. Brennan
Executive Director

TWB/mjg

cc: M, Webb, Chairman, LPVRPC

LOWER PIONEER VALLEY REGIONAL PLANNING COMMISSION (LPVRPC)

Review Comments on Office of Management and Budget (OMB) - Proposed Revisions to the A-95 Clearinghouse Review Process

1. The LPVRPC cannot agree with OMB's sweeping assertion that the A-95 process is "not working well." Although systematic modifications to the A-95 process could undoubtedly improve and strengthen the utility and effectiveness of the process, there is clearly no concensus of opinion that the A-95 process has not proven an effective means of bringing about intergovernmental cooperation and coordination. As an organization which has actively participated in the A-95 process for more than a decade, the LPVRPC believes that, on measure, the A-95 process has worked extremely well to the benefit of all levels of government. Consequently, we do not believe the present A-95 process will be improved by OMB's proposed transfer and consolidation at the state level. Indeed, we believe that in order for the A-95 process to be useful at all, it is essential that local governments, including their elected representatives, be directly involved in the A-95 review process. Correspondingly, we believe that local input can best be derived from a regional A-95 review process such as the one successfully operated in the LPVRPC's planning district since the late 1960's. Simply put, the more the A-95 review process is removed from the local level, the more it becomes irrelevant to the needs of the public and private agencies and officials it was originally designed to benefit (inclusive of the federal government). Thus, if the A-95 process is to be modified it must continue to provide for a strong role on the part of local governments.

2. The LPVRPC concurs with the suggestion that OMB include in its proposed A-95 revisions a so-called "local option" in the event that a state declines to provide for a uniform, statewide system of A-95 review and comment. We do not believe that state governments should not consciously or unconsciously be allowed to terminate the A-95 process by virtue of their inability or unwillingness to organize such a state-oriented A-95 review program. In those instances where a state chooses not to participate in A-95's, this should not preclude local governments who are willing and able to continue their participation in the absence of state-oriented review process. This "local option" would also appear to be fully consistent with OMB's desire to modify the A-95 process in such a way that it affords more local flexibility and control as well as to further the President's initiative for a New Federalism.

3. The LPVRPC does not believe that OMB's proposed policy revisions adequately address one of the key issues which governs the A-95's utility and effectiveness. Simply put, the A-95 process can only be effective to the extent that federal agencies and officials conscienciously abide by A-95 review guidelines and regulations whether they emanate from the federal government or a more state-oriented review system as OMB has recently proposed. Greater importance and attention should be ascribed to A-95 policy revisions which strongly discourage both federal agencies and their program clients and/or applicants to circumvent the letter and spirit of a revised A-95 procedure. Without agressive efforts on the part of federal agencies to adhere to A-95 provisions, the process will become irrelevant and a wasteful expedition of time and effort by the public sector.

4. As an incentive for both state and local governments to continue an effective A-95 review process, Congress should consider making available reasonable funds for appropriate state and areawide agencies to carry out such reviews. Funding should be organized such that a local match would be required, thereby demonstrating a firm commitment on the part of the state and/or local governments in question to continue the A-95 review process utilizing a revised format.

5. Inasmuch as the LPVRPC represents the interest of 40 member communities and nearly 600,000 area residents, we wish to firmly underscore our understanding that both the letter and spirit of the original Intergovernmental Cooperation Act enacted by Congress in the mid-1960's mandates the direct involvement of local governments in the A-95 review and coordination process. Moreover, we wish to underscore that this is a right guaranteed under the provisions of the aforementioned Act and not one derived from the state. This point also explains why the allowance for the "local option" described in point #2 is so essential to any modified policy regarding the A-95 process.

6. It should be noted that the continuation of a revised A-95 process may be crucial to the effective operation of other programs which have, or may eventually be, transferred from federal to state-level administration. One example in point centers on the Federal Government's Floodplain Management Program which in Massachusetts has been transferred to administration by the Commonwealth's Department of Environmental Management under the provision outlined in Executive Order #11988.

7. Given the important implication that OMB's proposed modification to the A-95 review will have on state and local governments, the LPVRPC strongly advocates that the final draft version of these prepared revisions be circulated for public review and comment for a minimum period of 30 days. Again, this recommendation would appear in keeping with the President's New Federalism initiative.

8. Finally, we wish to reaffirm our understanding that OMB's stated intention of utilizing the revised A-95 process so as to discourage the reauthorization or creation of federally-sponsored special purpose planning organizations is not meant to apply to comprehensive, regional planning organizations such as the LPVRPC. Given this, we feel an explanatory note to this effect should be included in OMB's final draft version of their proposed A-95 revisions. This note would help to avoid confusion and underscore the fact that such areawide planning organizations may continue to be involved with A-95 at the regional level.

TWB/mjg
5/24/82

R. Hartman, NARC

Southeast Michigan Council of Governments
800 Book Building · Detroit, Michigan · 48226 (313) 961-4266

May 19, 1981

Mr. David Stockman, Director
Office of Management and Budget
Room 252
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

I support the President's efforts to make federal government programs more efficient through devolvement of individual programs to state governments. At the same time, I am concerned that some false economies might be made in cutting programs such as A-95 Review that have served well to protect public resources in the past.

Maintaining the A-95 Notification and Review Process will have several benefits:

1) Save federal tax dollars by continuing to avoid program duplications and overlaps;

2) Insure that local governments have a voice in projects and developments which will have impact on their citizens;

3) Link local, state and federal governmental agencies in coordinated development of programs.

As the enclosed materials demonstrate, over the past six years, A-95 review in Southeast Michigan has saved nearly $200 million of federal tax dollars by coordinating project proposals and unfavorably reviewing proposals. In addition, over 40 local communities have successfully opposed efforts by private or other public units to initiate projects within their boundaries which would have had negative impact on local citizens.

In all, some $5 billion in proposals for federal funding have been reviewed for their cost effectiveness and compliance with coordinated plans in this region. Enclosed are a variety of case studies highlighting specific examples of the benefits A-95 notification and review realized by the citizens of Southeast Michigan.

ROBERT L. BOVITZ, Chairperson
Mayor, City of Trenton

DANIEL T. MURPHY, Vice Chairperson
County Executive, Oakland County

MARY ELLEN PARROTT, Vice Chairperson
Treasurer, Shelby Township

DONALD E. SHELTON, Vice Chairperson
Mayor, City of Saline

MICHAEL M. GLUSAC, Executive Director

WILLIAM E. SMILEY, Vice Chairperson
Commissioner, St. Clair County

ROBERT E. SMITH, Vice Chairperson
President, Livingston
Intermediate School District

We urge your continued support of the A-95 process, it is a valuable tool for all levels of government in making certain that tax dollars are used to their maximum effectiveness.

Sincerely,

Robert L. Bovitz

Robert L. Bovitz, Chairperson
Southeast Michigan Council of Governments
Mayor, City of Trenton, Michigan

RLB/bar

Enclosures

In Defense of the A-95 Review Process

The Southeast Michigan Council of Governments is the Areawide A-95 Clearinghouse for the Detroit and Ann Arbor metropolitan areas. The review jurisdiction covers most of a seven county area of 4500 square miles and 4.7 million people.

SEMCOG supports the efficient management of the intergovernmental cooperation and communication processes outlined in OMB Circular No. A-95.

As the Areawide Clearinghouse we are intimately involved with the A-95 review process and, without reservation, wholeheartedly endorse its concept. It is of inestimable value to local governments, state and federal agencies (those who know how to utilize its features), and areawide organizations, for fostering, nurturing, and otherwise implementing plans and programs.

The review system, from our perspective, is a two pronged process, whereby both the clearinghouse staff and the affected local governmental agencies are given an opportunity to comment on an application for federal assistance.

SEMCOG's review process is constructed along the lines of an intergovernmental communications system. It is perceived as a service to local government and is based on federal legislation calling for intergovernmental cooperation (1966 Demonstration Cities and Metropolitan Development Act and 1968 Intergovernmental Cooperation Act).

As those who work with the A-95 process know, the apparently simple review and comment procedures can become very complicated. The process tries to accommodate all of the various federal funding programs under one review system, including Environmental Impact Statement reviews. The system usually works, to the extent that we are satisfied that our comments reflect the concerns of our constituents. We try to assist the applicant by making constructive comments whenever possible, by staying within the review time limits, and by not adding to the applicant's paperwork. Much of a clearinghouse's work is spent on communication and arbitration between involved jurisdictions.

The end result of the clearinghouse's review and coordination work is a letter sent to the applicant or federal agency which indicates agencies contacted, comments received, clearinhouse staff analysis, and a recommendation about the worth, adequacy, or consistency of the project as related to areawide and local governmental plans and programs.

What is not visible to federal agencies or applicants in this review process is the time spent by clearinghouse staff and local governmental review agencies checking internal plans, communicating with each other, and pursuing internal recommendations through various departments and administrative hierarchies.

Local governmental agencies are guaranteed an opportunity to express their views. The A-95 clearinghouse system is a vehicle for expressing local points of view. Providing an opportunity to comment makes the federal assistance system more open, and chances of funding unpopular or duplicative projects reduced.

Examples of SEMCOG's success with the A-95 review process follows:

- An example of the value of open communication is one instance where a university in our region applied for a grant to develop an educational program for elected officials. The program was to consist of material on land use and energy. Our notification system generated critical comments from several local government agencies, among which were a county planning office and a cooperative extension service office. They were concerned that this application was for the development of a duplicative program. We provided a forum for discussion at a Regional Clearinghouse Review Committee meeting. At this meeting, it was discovered that the proposed program was indeed duplicative, and the university was encouraged to revise the application.

- In another instance a proposed postal facility in the City of Royal Oak generated criticism from the City. After holding a review committee meeting at which all parties aired their concerns, the Postal Service and the City agreed to meet and further discuss their differences. The latter meeting was successful and the new facility is satisfactory to both parties.

- A small city in Wayne County, just south of Detroit, had applied for a recreation grant to purchase a golf course. The property in question was, however, located in a village in Monroe County, and the village did not know of the proposed acquisition. After receiving unfavorable comments and holding a review committee meeting, the city withdrew the application in favor of property closer to their community.

- An application for a HUD senior citizen housing project in a western Wayne County township met with opposition from the township involved, the county, and SEMCOG during the A-95 review. The objections were based on a conflict with local zoning, and an inconsistency with the county's Housing Assistance Plan and the Regional Residential Strategy Plan. Despite unanimous opposition, HUD gave the project a conditional approval because elderly housing was needed in this area. After several months of verbal and written dialogue the project sponsor sought an alternative site. The exchanges between affected parties, brought about by the A-95 review process, resulted in the community salvaging a needed elderly housing project. An appropriate site, as it turns out, was available in the community.

In the area of water quality we have reviewed many EPA Step I Wastewater Treatment Facilities Plans. There are tremendous coordination problems involved in some of these plan reviews -- coordination problems which the federal funding agency cannot handle alone. The City of Detroit's Water and Sewerage Department, for example, treats the sewage from 75 communities. We have reviewed several documents concerning the Detroit facilities planning work including: the grant application for Step I assistance, segments of their Facilities Plan, and an Environmental Impact Statement. Each of these reviews was expensive and time consuing for our staff. The tangible result was a review letter, but the staff time and the time spent by other agencies reviewing these applications and plan documents was considerable. A clearinghouse provides a perfect forum for discussing these issues. In fact, the City of Detroit has requested SEMCOG's assistance in coordinating the ongoing public information program for this planning project as has the Wayne County Department of Public Works for another major treatment facility in this area.

We reviewed a facilities plan in a rural township of St. Clair County which had a sewer service area much too large for the projected population. The sewer system as designed would have cost the residents more than they should have to pay. The Township agreed to reduce the proposed service area at a review committee meeting, when it was explained to them how much each individual household would have to pay for the oversized system.

In a recent facilities plan review, an engineering firm told a rural township in Oakland County that they needed a sewer system for nearly half of their township because failing septic systems were polluting area lakes. During the A-95 review, the township found out that the area proposed for service was not included in the Areawide Water Quality Plan, and that no documentation was available to prove the contention that the local septic systems were causing health problems. In fact, our recent water quality planning work has indicated that urban storm water runoff could result in more pollution than the suggested failing septic systems. The building of expensive sewers in this rural area may result in increased development, which in turn may result in more pollution to area lakes due to urban runoff. The township in this case withdrew the proposed facilities plan from the A-95 review process and requested the opportunity to resubmit a revised plan at a later date.

- We reviewed an application under EDA's Local Public Works program a few years ago for a sewer system in a township in Macomb County. The project was proposed by the township despite the fact that sewer service plans were being prepared under the EPA Step I program for this area. At a review committee meeting it was recommended that the application be denied since it was an obvious attempt to skirt the existing federally funded planning process to obtain federal money for local expansion plans.

- We have reviewed airport planning and construction grant projects which have generated criticism from surrounding communities. Much of the correspondence received is not of a technical nature. SEMCOG has provided a forum for discussion on more than one occasion. In one instance, the major airport in Washtenaw County was preparing an airport master plan. The township that the airport is located in was not sufficiently involved in plan preparation. As a result of our review process, all parties were brought together and a formal cooperation agreement was reached.

- For a majority of the housing proposals we process, our notice of A-95 review is the first contact between the local unit of government affected and the project sponsor. We get the involved parties together whenever problems surface, and in this way constructively assist the federal agency to coordinate their housing assistance programs.

- We received an application seeking funding from the U. S. Community Services Administration to establish an Emergency Services Coordination and Documentation project. It intended to develop a seven-county communication network consisting of all emergency food information and service providers in the region.

  SEMCOG's review included contacting the agencies which would be included in the proposed network. Some of the existing local food service agencies expressed concern about possible problems with the coordination efforts.

  SEMCOG worked with the application in arranging several informal meetings with the affected local agencies. A compromise solution was worked out. The Emergency Services Project was ultimately funded and is presently helping reduce hunger problems in Southeast Michigan.

- An application for converting V8 automobile engines to a V4 configuration was submitted for review by a non-profit research agency supported by the U. S. Community Services Administration. During our review several of our county planning offices questioned the practicality of such a project. We contacted the U. S. Environmental Protection Agency's research lab in Ann Arbor, Michigan and they told us that such research had already been done at tax payer expense. The A-95 review in this case uncovered a duplication between federal programs.

For most projects the resulting documentation for an A-95 review is a simple one or two page letter with attached correspondence. A lengthy project review summary should not always be expected. A great deal of time and expense can be involved in coordination activities with very little written documentation to show for it; however, this coordination at the local level is worthwhile and essential for certain types of projects, such as sewer systems and housing. The more a project involves regional planning activity, the more likely is the possibility that a detailed staff report will be prepared. On the other hand, some projects will receive very little clearinghouse staff attention. The value of clearinghouse involvement is in the notification process, whereby affected local governmental agencies are given an opportunity to comment.

Some funding agencies expect review content to be directed to federal program regulations. We have two major concerns with this approach; first, this broadens the scope of the review, necessitating additional staff time and increasing informational requirements; and second, the areawide clearinghouses are primarily concerned with relationships of proposed federally supported projects to local and regional plans and programs. Thus, the rationale used for recommending for or against a project is its consistency with local and regional plans or major social, economic or environmental concerns. Consistency with federal regulations may be the subject of technical comments depending on staff familiarity.

A line should be drawn to separate the responsibilities of the funding agency and the reviewing clearinghouse agency. SEMCOG's perceived responsibility under the A-95 review system is to advise on consistency or compatibility with local areawide plans and programs. Whether or not the proposal is appropriate under all federal program regulations is essentially the funding agency's decision.

In conclusion, we firmly believe that the A-95 process in Southeast Michigan has worked well in the past and with only minor modification should continue to work well in the future. To the benefit of the tax payer, the process has served to avoid duplication of effort, reduce unnecessary costs, improve proposed projects, preserve fragile resources and, perhaps most importantly, to involve local officials in projects which impact their communities. If anything, the review system has worked too well, in that, the demand for review of a greater number of projects and far more review content have escalated the cost of the system beyond the federal government's willingness to pay.

Continued success is dependent upon the ongoing commitment of federal agencies to support compliance with A-95 review procedures and to fund their fair share of the A-95 review process. Several major national studies, e.g., General Accounting Office, Improved Cooperation and Coordination Needed Among All Levels of Government -- OMB Circular No. A-95 - 1975 and Advisory Commission on Intergovernmental Relations, Summary and Concluding Observations: The Intergovernmental Grant System: An Assessment and Proposed Policies - 1978, have indicated objective support for the A-95 review process. Such support is indicative of the value of the A-95 concept in the realm of domestic governmental affairs.

Otsego County Board of Commissioners
GAYLORD, MICHIGAN 49735

23 November 1981

Mr. David A. Stockman, Director
Office of Management & Budget
Main Treasury Building
Washington, D.C. 20220

Dear Mr. Stockman:

I understand that you are currently studying proposed revisions to OMB Circular A-95 and are questioning the value of continuing the process. As a local elected official, I can tell you that the process has been of considerable benefit over the years.

On many occasions, I have become aware of projects proposed in my jurisdiction solely due to the A-95 review and comment process. Sometimes these proposals have been duplicative or in conflict with other projects in this area. Even more common is the case where a project can be much more beneficial with only relatively minor changes. The A-95 process provides a means to address and resolve these situations.

In addition, by examining a proposal's relationship to approved local policies and plans, the process has promoted orderly growth and development in my county. It also provides a mechanism whereby limited government financial resources can be distributed on a fair and reasonable basis through A-95 priority recommendations.

Finally, it seems to me the cost of the A-95 regulations to the government are minimal, given the vast amount of federal dollars saved by avoiding the possible funding of duplicative or undesirable activities. Besides, much of the cost of performing the A-95 function is provided by local officials who support it.

I appreciate very much your consideration of my viewpoint on this matter.

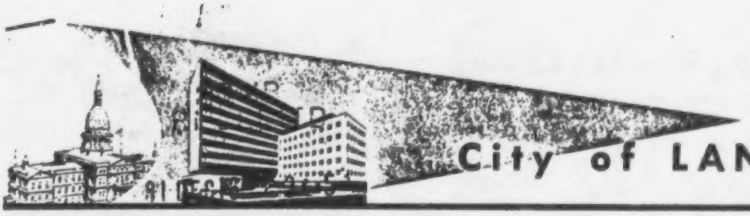
Sincerely,

Earl Huff

Earl Huff
Otsego County Commissioner

EH/gpc

I-75 & M-32 "The Alpine Village" CENTER OF NORTHERN MICHIGAN



City of LANSING
LANSING, MICHIGAN
517-487-1116
48933

JACK D. GUNTHER
COUNCILMAN-FOURTH WARD
10TH FLOOR, CITY HALL

November 24, 1981

Mr. David A. Stockman
Director, Office of Management & Budget
Main Treasury Building
Washington, D.C. 20220

Subject: A-95 Process

Dear Mr. Stockman:

I understand that you are evaluating whether or not to continue in effect OMB Circular A-95 relating to the grant review process. I want you to know that I personally support the continuation of the A-95 process and I urge you to reaffirm its desirability for the following reasons:

Except for the existence of the A-95 project review process, I would not have known of pending grant applications in many important circumstances during my tenure as City Councilman over the past twelve years. There are 78 local units of government in our three county area and many of these units have requested federal assistance of one form or another over the years which do have a bearing and impact upon the operation of Lansing's city government. There would be no way for us to keep track of potentially duplicative or objectionable projects without a clearinghouse to provide us with appropriate notice of intent application filings. This is also beneficial to the federal government as frequently the advise that local officials provide in the A-95 process has saved millions of dollars in federal grant expenditures.

Another reason for the continuation of the A-95 process is that its cost is insignificant when compared to the benefits and much of the cost is borne by local officials supporting their clearinghouse operation.

In addition to my position as Lansing City Councilman, I am also the current Chairman of the Tri-County Regional Planning Commission, the A-95 clearinghouse for the Lansing/Tri-County area, Michigan. From personal experience I can assure you that the process is supported by most local officials in this region and it has worked effectively. Local officials in this area control the review process and believe in its effectiveness.

Thank you for your consideration of these views.

Sincerely,

Jack D. Gunther
Councilman-Fourth Ward

JDG/cc

COUNTY OF OAKLAND
DANIEL T. MURPHY, COUNTY EXECUTIVE

October 28, 1981

Mr. David A. Stockman
Director, Office of Management & Budget
Main Treasury Building
Washington, D.C. 20220

Subject: A-95 Process

Dear Mr. Stockman:

I understand that you are evaluating whether or not to continue in effect OMB Circular A-95 relating to the grant review process. I want you to know that I personally support the continuation of the A-95 process and I urge you to reaffirm its desirability for the following reasons.

During my tenure as County Executive over the past six years, I would not have known of a pending grant application in many important circumstances but for the existence of the A-95 project review process. There are 240 local units of government in the seven counties of Southeast Michigan alone and many of these units have requested federal assistance of one form or another over the years which do have a bearing and impact upon the operation of Oakland County's government. Without a clearinghouse in existence to provide us with appropriate notice of application filings, there is no way my office could keep track of potentially duplicative or objectionable projects. This, in turn, rebounds to the benefit of the federal government, for frequently the advice that local officials provide you in the A-95 process have saved untold millions of dollars in federal grant expenditures.

The second compelling reason for the continuation of the process is that its cost is insignificant when compared to the benefits and much of the cost is borne by local officials supporting their clearinghouse operation.

In addition to my position as County Executive, I am also the current Chairman of the Southeast Michigan Council of Governments, the A-95 clearinghouse for Southeast Michigan. I can tell you from personal experience that the process is supported by most local officials in this region and it has worked effectively. Local officials in this area control the review process and believe in its effectiveness.

Thank you for consideration of these views.

Sincerely,

Daniel T Murphy

Daniel T. Murphy
COUNTY EXECUTIVE

Administrators for:
HUMAN RESOURCES COMMISSION and
SOUTHWESTERN MICHIGAN
BUSINESS PROMOTION PROGRAM

Southwestern Michigan Regional Planning Commission

2907 Division Street · St Joseph, Michigan 49085 · 616/983-1529 or 800/442-0762

November 4, 1981

Mr. David A. Stockman, Director
Federal Office of Management and Budget
Executive Office Building
Washington, DC 20510

Dear Dave:

According to several newsletters received by the Southwestern Michigan Regional Planning Commission, the Office of Management and Budget is considering the termination of the A-95 federal notification and review system. On behalf of the Southwestern Michigan Regional Planning Commission, we would like to voice our concern with a total dismissal of the ability of local governments to review and comment on the use of federal assistance within our jurisdiction.

Although the Southwestern Michigan Regional Planning Commission recognizes the inadequacies of the local review system and the ability of local government to influence the bureaucratic decision makers, we feel that the A-95 review does play an important role in allowing local elected officials the opportunity to interact with an applicant and a funding agency to resolve conflicts in purpose of the grants, and duplication of services, and inappropriate uses of grant funds. We would support a revision to the A-95 review system which would allow the procedures to be carried out in a more cost efficient fashion. We also support and would urge your personal interaction in continuing the role of local elected official input into the decision making concerning the distribution of federal grant dollars in southwestern Michigan.

Sincerely,

Frances Sage

Frances Sage
Chair

mjo

CITY OF SAINT PAUL
OFFICE OF THE MAYOR

347 CITY HALL
SAINT PAUL, MINNESOTA 55102
(612) 298-4323

GEORGE LATIMER
MAYOR

September 9, 1981

The Honorable Samuel Pierce
Secretary
U. S. Department of Housing and Urban Development
Washington, D. C. 20410

Dear Secretary Pierce:

It is my understanding that you are currently considering a recommendation to eliminate A-95 reviews for Community Development applications, and, in fact, for all HUD programs.

As Mayor of St. Paul, a city which is often on the receiving end of regional A-95 reviews, I am writing to urge your very careful appraisal of this proposal. The A-95 review process, as established and implemented in the Twin Cities area, is quite effective and workable. The reason for this is that the Twin Cities Metropolitan Council, our designated A-95 agency, bases its review on adopted plans and policies that are developed in close cooperation with the 300+ local units of government in the region. The Council's review comments, therefore, are not arbitrary or whimsical; they reflect careful consideration of previously established regional policy concensus.

Regional policy in this metropolitan area strongly supports the economic revitalization efforts of St. Paul. We rarely find the A-95 review process an obstacle to our programs. Questions raised by the review, whether by the Metropolitan Council or another local unit of government, have generally helped to clarify and strengthen our proposals.

We have found the A-95 review process quite helpful on two additional counts. First, through A-95 reviews, the Metropolitan Council has been quite effective in implementing policies to contain suburban sprawl and ex-urban development. This has been important in maintaining an economically viable regional service system such as transportation and sewage collection and treatment. Secondly, the A-95 review process is an important communication and coordination link for local governments in the region.

In summary, the A-95 review process as implemented in our region, has been generally quite effective and beneficial. I would urge you to consider the merits of the process very carefully before making any final decision on its future.

Sincerely,

George Latimer

George Latimer
Mayor

GL/bq

association of
metropolitan
municipalities

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oon Rapids

Executive Director
Vern Peterson

November 24, 1981

The Honorable David Stockman
Director
Office of Management and Budget
Room 252 Old Executive Office Bldg.
Washington, D.C. 20503

Dear Mr. Stockman:

It is my understanding that you are considering a recommendation from the Department of Housing and Urban Development to eliminate A-95 reviews for all HUD programs.

As Mayor of Brooklyn Park, Minnesota and President of the Association of Metropolitan Municipalities (AMM), I am writing to urge your very careful consideration of this recommendation. The AMM Board of Directors, at a recent meeting, voted its support for the continuation of the A-95 review process. The AMM Board believes it would be a mistake to eliminate A-95 reviews for HUD and other federal programs. In the Twin City Metropolitan Area, the A-95 review process has worked reasonably well and has helped coordinate and intergrate regional and local planning. We have not found the process to be a significant inconvenience to city government. The reason for this is that the Twin Cities Metropolitan Council, our designated A-95 Agency, bases its review on adopted plans and policies that are developed in close cooperation with the over 200 local units of government in Twin Cities Metropolitan Area of Minnesota.

In summary, we believe the A-95 review process has been generally beneficial to the Twin Cities Metropolitan Area and I would urge you to consider the merits of the process very carefully before making any final decision.

Sincerely,

James J Krautkremer

James J. Krautkremer
Mayor, Brooklyn Park
President, AMM

JJK/cr

300 hanover bldg., 480 cedar street, st. paul, minnesota 55101 (612) 222-2861

METROPOLITAN COUNCIL
Suite 300 Metro Square Building, Saint Paul, Minnesota 55101

RESOLUTION NO. 81-
RESOLUTION SUPPORTING CONTINUATION OF A-95 REVIEW PROCESS FOR HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Department of Housing and Urban Development is proposing that the Office of Management and Budget exempt from the A-95 Review Process all programs funded by Housing and Urban Development; and

WHEREAS, the A-95 Review Process has been successfully used for the past 12 years by the Metropolitan Council to guide development in the Twin Cities Metropolitan Area; and

WHEREAS, the A-95 Review Process provides for communication and cooperation across local boundaries toward resolutions of conflicting jurisdictional interests; and

WHEREAS, the A-95 Review Process by the Metropolitan Council has resulted in increasing the distribution of subsidized housing opportunities throughout the region; and

WHEREAS, the Metropolitan Council's A-95 Review has resulted in the revitalization of urban areas, including a healthy economic mix; and

WHEREAS, the substantial prevention of premature development, with all its attendant costs, could not have been accomplished in the absence of A-95, and

WHEREAS, regional agencies without A-95 have little opportunity to enforce the policies which have been of benefit to all the citizens of this country,

NOW, THEREFORE, BE IT RESOLVED:

1. THAT Congress reinstate the A-95 Review Process for Community Development Applications and Urban Development Action Grants and retain it for all present and future HUD programs.

2. THAT Congress implement a policy that no federal agency should be exempt from the A-95 Review.

Adopted this _______ day of ___________, 1981.

METROPOLITAN COUNCIL

By ______________________
Charles R. Weaver,
Chairman

By ______________________
Eugene E. Franchett,
Executive Secretary

Federal and Regional Housing Issues

Presented by the Metropolitan Council
of the Twin Cities
300 Metro Square Building
St. Paul, Minnesota 55101
August 31, 1981

The Metropolitan Council, the regional planning agency for the Twin Cities Metropolitan Area, has been involved in housing for the past twelve years. In addition to Housing planning the Council also operates the Metro HRA, a regional housing authority serving 62 suburban and rural communities with a population of over 800,000.

The Council, through the years, has become strongly identified with housing issues, including the need for equal housing location opportunities for people of all income levels, the need for urban revitalization and a healthy economic mix, and the need to reduce housing costs for low and middle income households. The Council's housing activities have been recognized by the Federal government and have resulted in Bonus Fund awards in 1976, 1978 and 1980, the three times when these awards have been made.

The Council appreciates this opportunity to discuss housing concerns with the members of the President's Commission on Housing and invites you to call on us at any time for additional information.

The housing issues included in this paper are issues of concern to regional planning agencies, like the Metropolitan Council. They are also issues upon which the federal government has had a substantial impact, or has the potential to affect in a significant manner. The issues are:

1) Housing Assistance for low- and moderate-income households.
2) Housing costs for low-, moderate-, and middle-income households.
3) Financing for housing, including the impact of the Ullman Bill.
4) The A-95 Review, and other changes in federal housing regulations.
5) Housing locational choice for people of all income levels, and revitalization of older urban areas.

1) Housing Assistance for Low and Moderate-Income Households.

The need for housing assistance has never been greater. In the Twin Cities Area, almost 100,000 households not presently assisted will need assistance by 1990. These are the people whose incomes are below 80% of median, who presently pay substantially in excess of 25 percent of their incomes for housing, and who live in substandard or overcrowded housing.

The federal housing subsidy programs enacted over the past 40 years, have provided assistance for almost 40,000 households in the Twin Cities Area. While far from perfect, these programs have given substantial relief to households in need. That relief, however, doesn't come cheap. The estimated annual subsidy cost for these 40,000 households approaches $100 million in federal funds.

The Federal government should also consider changes in legislation or regulation to allow investment of pension funds in housing. Pension funds represent a large pool of capital that could provide a much needed stimulus to the construction of housing at affordable prices.

4) The A-95 Review, and Other Changes in Federal Housing Regulations

The Housing and Community Development Act amendments of 1981 include a provision which eliminates the A-95 Review for all Community Development and UDAG applications. HUD has also requested that OMB eliminate A-95 reviews for all remaining HUD programs. This request was made by HUD in an effort to simplify procedures and reduce paperwork, thereby saving time and costs.

The Metropolitan Council wholeheartedly supports the goal of saving time and costs wherever possible. However, it has always been the Council's understanding that the A-95 Review, which occurs within a 30- or 45-day time limit, is taking place in tandem with the HUD review period, not before or after it. The A-95 Review, therefore, does not cause delay or its attendant costs. If it can be shown that A-95 Reviews do cause delay, the review period should be adjusted accordingly.

It has been suggested by HUD that the A-95 Review process has very little impact on the HUD decision-making process because very few A-95 reviews carry negative recommendations. It is true that the Metropolitan Council, and perhaps other regional agencies, makes relatively few negative recommendations. In fact, over the past 12 years, the percentage of negative review findings has steadily declined for two reasons:

1. Through A-95, regional agencies have effectively communicated important regional policy considerations, which are then reflected in the proposals received for review.

2. Because of A-95, these regional policy considerations carry significant weight and are rarely ignored by communities or developers. Without the A-95 Review, it would be difficult to retain this strong regional perspective.

Among the regional policies emphasized by the Council are the need to provide affordable housing opportunities for low- and moderate-income people throughout the Metropolitan Area, not just in a few concentrated locations, and the need to promote urban revitalization and a healthy economic mix for older urban areas. Because of the A-95 Review, the Council has been able to note significant progress in achieving these goals. In the case of the distribution of subsidized housing, the facts are particularly impressive.

In 1970, over 90% of the subsidized housing, and other low-income housing as well, was concentrated in the central cities of Minneapolis and St. Paul. Less than 10 percent was located in 12 suburban and rural communities. The remaining 120 suburban and rural communities in the Area had no subsidized housing opportunities whatsoever. By 1979, the percentages had changed dramatically. The central city share of subsidized housing had dropped to 61 percent, and the suburbs and rural communities had 39 percent. By 1979, there were 97 communities, out of 120, with subsidized housing opportunities available. Without the A-95 Review, this would not have happened!

Similar progress has been noted in the sucess of urban revitalization efforts and in the crucial area of growth control and prevention of costly premature development.

Because these regional policies are designed to uphold important policy considerations which are of benefit to all the people of this country, and because they do not cause undue delay, the Metropolitan Council urges the President's Commission to support the continuation of the A-95 Review for all HUD programs.

Other recent HUD regulatory changes are of concern to the Council. Again, the Council agrees that the goal of simplification is desirable, but not to the extent that important national concerns are forfeited. The federal government continues to pass billions of dollars on to states, cities, and the private sector for Housing, Community Development, and other activities. It is inconceivable that the nation is suddenly no longer interested in how this money is being spent.

A case in point is the elimination of the Housing Assistance Plan. The Council agrees that this Community Development requirement was badly in need of simplification. But to pass along more than $1 billion in Small Cities Community Development funds to states and local units of government with no requirements that the fund recipients open their doors to provide low- and moderate-income housing is inconceivable.

The Council urges the President's Commission to simplify HUD regulations wherever possible, but not to obliterate important national policy concerns.

5) Housing Locational Choice For People of all Income Levels, and Revitalization of Older Urban Areas

The last issue is, in effect, the Metropolitan Council's statement in support of the continued need for a regional approach to housing and urban development.

Housing is basic to the quality of life. Although the Twin Cities Area has not been faced with the severe housing problems of other urban areas of the country, there are housing problems which merit serious attention. At the present time, there is an inadequate supply of lower-cost housing in good condition, and large numbers of Area residents are not adequately housed. Many people, particularly with lower incomes, are living in substandard or overcrowded housing or are denied adequate choice in the location of their housing. The rapid increase in prices and the inadequate supply of newly built housing have meant that middle as well as low-income persons are increasingly unable to afford housing that meets their needs and desires. Prospects for the future are even more grim. The area faces an unprecedented demand for new housing in the next decade and yet housing starts are at a record low.

The Area's housing is aging, and there is an increasing need for neighborhood presevation and housing rehabilitation. The center cities of Minneapolis and St. Paul are still experiencing some difficulty in attracting the middle- and upper-income market-rate new housing necessary to maintain an economically diverse population.

September 23, 1981

The Honorable Samuel R. Pierce, Jr.
Secretary
Department of Housing and Urban Development
451 Seventh Street SW
Washington, D. C. 20410

Dear Secretary Pierce:

It is my understanding, based on information I have read and comments from staff of both HUD and regional and local government agencies, that the Department of Housing and Urban Development is considering a recommendation to eliminate the A-95 review process for community development, housing and all other HUD programs.

As the Executive Director of a State Housing Finance Agency, which is very much involved in the regional A-95 review process, I am writing to urge you to please consider carefully the implication of this proposed change. At the state level, we find the A-95 regional review process invaluable in helping us make allocation and investment decisions and meet local housing objectives. Especially in the Twin Cities metropolitan area where there is a very effective regional planning agency, the A-95 review process has resulted in substantial savings of federal dollars because of our ability to link housing developments with the regional development framework adopted by the Metropolitan Council.

At a time when we must all be conscious of cost savings, it is clear that a regional review process can assist in saving dollars for the implementation of federal programs. In the area of housing where we must especially be looking for ways to provide affordable housing, the ability to link up regional housing goals with a regional development plan which involves the efficient provision of sewer/water and other utilities, is especially important.

In the non-metropolitan regions of the state, the A-95 review process and the regional housing plan necessary to implement it, has been an invaluable tool in state/regional/local cooperation in making housing program investments.

In short, we believe the A-95 review process, as implemented in Minnesota, has been effective, has saved the taxpayers money, and is worth careful consideration for retention as an important tool in making the intergovernmental system continue to be effective. I hope the Department of Housing and Urban Development will carefully review the merits of the process and examine ways in which, if there are deficiencies that can be improved, so that we might retain this important management tool as our intergovernmental system continues to change and adapt to the reality of the 1980's.

Sincerely,

James J. Solem
Executive Director

Metropolitan Council
of the Twin Cities Area

0 Metro Square Building, 7th Street and Robert Street, Saint Paul, Minnesota 55101 Area 612, 291-6359

September 24, 1981

Mrs. Ruth Robbins
Legislative Action Chair
League of Women Voters of the United States
426 Meadow Lark Drive
Sarasota, Florida 33577

Dear Mrs. Robbins:

I'm writing to you at the suggestion of Mrs. Delores Hastings, Housing Chair, League of Women Voters of the Twin Cities Area of Minnesota, to request the support of the U.S. League of Women Voters for the continuation of the A-95 Review process.

The A-95 Review, authorized by the Federal Office of Management and Budget (OMB) in its circular A-95, is the review of a variety of housing and development proposals by regional planning agencies to assure that the proposals are consistent with areawide policies and goals before they are given federal funding support.

This review authority is currently being challenged by the Federal Department of Housing and Urban Development (HUD), which has formally requested that it be dropped by OMB for all HUD funding programs. OMB is currently studying the HUD request and will make its recommendations in the near future.

It is the Metropolitan Council's position that the A-95 Review process should be continued. As a regional agency, the Council has used the A-95 Review successfully in the achievement of important regional housing and community development goals.

In the Twin Cities Metropolitan Area, the League of Women Voters has been highly supportive of our efforts to provide expanded housing opportunities for low and moderate income people and to provide for the orderly and economical growth of our region. It is our hope that the U. S. League of Women Voters will also look favorably on these efforts, which are duplicated by other regional agencies throughout the country.

n Agency Created to Coordinate the Planning and Development of the Twin Cities Metropolitan Area Comprising:
noka County ○ Carver County ○ Dakota County ○ Hennepin County ○ Ramsey County ○ Scott County ○ Washington County

If the League does decide to adopt a position of support for the continuation of the A-95 Review process, several approaches in communicating this support would be helpful, including letters to the President, the Secretary of HUD, the director of OMB, and the Vice-President, who heads the regulatory reform task force, as well as personal contact with these individuals. In addition, the Senate Intergovernmental Relations Subcommittee, chaired by Sen. David Durenburger of Minnesota, will hold a hearing on A-95 shortly after the completion of the OMB study. Contact with this subcommittee or testimony at the hearing, would also be helpful.

The attached material will give you background information on the A-95 Review process. If you need additional information, please contact Nancy Reeves, Housing Division Director, (612)291-6307.

Thank you very much for your interest in this issue, and for the excellent work done over the years by the League of Women Voters.

Sincerely,

Charles Weaver
Chairman

Attachments

cc: Ruth Hinerfeld
President, League of Women Voters of the U.S.

CW/cb

Seventh Street and Robe
Saint Paul, Minnesota 55
Telephone (612) 291-64
Office of the Chairm

August 13, 1981

The Honorable Stephen J. Bollinger
Assistant Secretary for Community
 Planning and Development
Department of Housing and Urban
 Development
451 7th Street S.W.
Washington, D.C. 20410

Dear Mr. Bollinger:

The July 7, 1981 issue of "Community Development Digest" contained your observations about the A-95 review process. Specifically, the article noted your recommendation to Secretary Pierce on elimination of A-95 reviews for Community Development applications and, in fact, for all HUD programs. The article further stated that you based this recommendation on your experiences as a former member of an A-95 review panel, an experience which you found time-consuming and of little value.

This letter is written to ask you to reconsider your recommendation in light of the success of the A-95 process at the Metropolitan Council of the Twin Cities as well as in other metropolitan areas. The experience of the Council has been that the review role is an invaluable tool for implementing federal, as well as regional policy. The A-95 review recommendation made by an areawide agency, while perhaps its most visible action, is only the final step in a process which often includes extensive negotiation and interaction among various levels of government and, in many cases, the private sector as well.

As you noted correctly, the A-95 review recommendation is rarely negative. In fact, over the past decade, the percentage of negative review findings has steadily declined. Does this mean that A-95 is no longer needed, or no longer effective? Just the opposite. It is eloquent testimony for two major conclusions:

1) Through A-95, regional agencies have effectively communicated important regional policy considerations; and
2) Because of A-95, these regional policy considerations have weight and cannot be ignored whenever they become inconvenient.

It is difficult, indeed, to find a regional agency that is not solidly in support of the continuation of the A-95 review process. But that is only half of the story. The A-95 review is not merely a self-serving vehicle to keep regional agencies in business and to solidify their power base. It is also a process which has significant benefits for the country as a whole, and for its citizens.

Regional policies, like supply-side economics, tend to be long range. They are policies that are often difficult to adopt at the local level, because of short-term, immediate political considerations. A prominent example is the Metropolitan Council's Development Framework policy, which discourages development in rural, unsewered areas and encourages infill development in the urbanized portions of our metropolitan area. From a policy standpoint, orderly growth and development are widely recognized guiding principles. But, local units of government are often under considerable pressure to grow before their time. Unsewered land is cheap, especially in one-acre parcels. It's a "pay me now, or pay me later" situation, and the regional agency is often the only one in a position to enforce this difficult decision.

The policy is good, in the long run, for the individual citizen. Just ask anyone who's had his septic system fail and then paid again, by the front foot, for public sewer service. It's good for the local unit of government, because it doesn't permit a city to change from needing only a three-person police force and a volunteer fire department to a 30-person public safety department in two years. And, it's good for the state and federal governments because, in the long run, it is these levels that will be called upon to bail out the cities that are growing too fast, the people who can't afford the assessments, and even the older,established cities that are suffering from the eroding tax base and service-dependent populations they are left with after everyone else has moved out.

This is just one example of the need for strong, enforceable regional policy. There are many others, particularly in the areas of equal opportunity, housing mobility and choice.

It is not our intention to claim that regional agencies can solve all, or any, of these difficult problems. Nor are we trying to convey a sense of independence apart from the other levels of government. In fact, perhaps our greatest strength is in our ability to provide a continuing forum for discussion and debate. But, without the continued strength of the A-95 review, the regional agency could provide little more than discussion and debate. The A-95 review makes it impossible to postpone the decision-making stage, giving impetus to all affected parties to participate in completing the process.

In sum, then, A-95 reviews have provided an important departure point for positive interaction between governmental units. The Metropolitan Council has used A-95 as the basis for a review process, the object of which is cooperation, not conflict. The results have been beneficial for all parties involved.

Attached for your information is a brief description of the A-95 review process used by the Council for several types of reviews. We would be happy to provide you with additional information at your convenience.

Sincerely,

Charles R. Weaver

Charles Weaver
Chairman

Enc.

Review of Housing Assistance Plans. The requirement for housing assistance plans in Community Development applications provides an opportunity to review a community's short-range plans for low-income housing.

The housing assistance plan exists as a potentially important vehicle for requiring a community to come to terms with its plans for providing subsidized and rehabilitated housing. The HAP requirement gives the Metropolitan Council an opportunity to have a meaningful dialogue with the community on how its subsidized housing plans fit with areawide plans. This role was strengthened with HUD approval of the Council's Areawide Housing Opportunity Plan.

The Metropolitan Council also evaluates the progress of Community Development Block Grant recipients in achieving HAP goals. The Council adopted specific performance guidelines in 1977 and has used these guidelines in several full cycles of A-95 CDBG reviews. The Guidelines provide for a specific percentage of achievement to meet minimum performance levels and give the Council an objective method for assessing community performance. For many communities, this review provided the strong incentive needed for them to provide subsidized housing for the first time. The Council has not yet had to make a recommendation for funding denial based on these guidelines.

Review of Housing Proposals. The Council performs the typical function of reviewing proposals to use federal funds for housing development. For subsidized housing, the review authority becomes a powerful tool in ranking proposals competing for funding. In fact, the Council's review role has become established now to the point that most developers call or visit the Council before selecting sites for subsidized housing proposals. For non-subsidized housing, major issues have recently centered around consistency with the Council's managed growth plan. As the policies and plans of the Council have become more sophisticated and detailed, the review process has been more aggressively applied and the Council role has become more pivotal in HUD's funding decisions. The Council has adopted, for example, criteria for the level of services each project must provide as well as other detailed guidelines used in project reviews.

In addition to the federal A-95 review role, the Council has a cooperation agreement with the Minnesota Housing Finance Agency. The Council reviews and ranks all multi-family housing projects submitted to the state agency, including subsidized and market-rate housing and rehabilitation funds. This state review relationship was critical, particularly when finance agencies began receiving direct allocations of Section 8 funds; it was necessary to review both HUD and state projects to insure that funding was distributed as recommended by the Council. The Council's coordinating, planning, and review role thus became increasingly important as not one but two agencies made funding decisions on Section 8 housing.

The A-95 process also granted the Council an opportunity to develop related review procedures. The two most notable are priority funding and comprehensive plan reviews.

Priority Funding. In its 1971 housing plan, the Council adopted probably the most controversial policy in its history. This policy stated that priority for requests from a local community for state or federal grants would be assigned based on the community's housing performance. This policy committed the Council to use its full authority as the A-95 review agency to carry out its housing policies. It means that applications for parks, sewers, highway construction, open space, aging and criminal justice funds, etc., are ranked according to the community's performance in providing housing for low- and moderate-income persons and its plans to provide its fair share of subsidized and modest-cost housing opportunities in the future. This ranking of each community's housing performance is published annually so that communities know where they stand in relation to other communities in the Region.

Council members were told in their initial allocation plan debates that subsidized housing reduced tax revenues and required more services; there was, therefore, no incentive for a community to provide such housing. The Council appeared to have the means to provide such an incentive by assigning high priority in funding for parks and other locally popular programs to communities providing subsidized housing. The policy has made a real difference between funding or no funding in a number of cases. The major significance of the policy, however, may well be symbolic. Its adoption indicated the determination of the Council to use its powers to implement regional housing policy. It further established that social objectives are valid and overriding priorities. Communities have taken the policy and its message seriously and the result has been increased subsidized housing opportunities throughout this Metropolitan Area.

Review of Comprehensive Plans. The Minnesota Legislature passed the Metropolitan Land Planning Act which requires every municipality, township, county and school district in the Twin Cities Metropolitan Area to prepare a comprehensive plan for review by the Metropolitan Council. Each comprehensive plan is required to include a housing element which addresses metropolitan housing needs to 1990 and provides for meeting a share of the Area's low- and moderate- and modest-cost housing needs.

For the first time, communities are now required to demonstrate that they have provided sufficient land, appropriately zoned, to meet their share of the Area's lower-cost housing needs through 1990. Communities must show that, as subsidy resources become available, they will have the capacity to use their share of these resources. In addition, there must also be land available for "lowest-possible cost" non-subsidized housing as a substitute when sufficient subsidies are not available.

The Metropolitan Land Planning Act established requirements and procedures to facilitate comprehensive local planning with land use controls consistent with planned, orderly development and metropolitan system plans.

As a result of the law, communities now have a statutory obligation to plan for the housing needs of low- and moderate-income persons within the Metropolitan Area. Land use planning and regulations should promote the availability of land not only for low- and moderate-income, but also modest-cost housing. The implementation of this legislative mandate lies with the local units of government. However, the Council has adopted policies and guidelines which not only define municipalities' fair share of regional low- and moderate-income housing need, but also suggest actions at the local level which will promote the availability of land for such housing. The Council also must review all comprehensive plans, which provides a forum for assessing a community's plans for meeting regional housing needs and expanding housing opportunities.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

AUG 31 1981

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

IN REPLY REFER TO:

Mr. Charles Weaver
Chairman, Metropolitan Council
of the Twin Cities Area
300 Metro Square Building
Seventh Street and Robert Street
St. Paul, Minnesota 55101

Dear Mr. Weaver:

I am responding to your letter of August 13, 1981 to Assistant Secretary Bollinger supporting continuation of areawide A-95 review of Federally assisted projects.

While I appreciate the Metropolitan Council's position, in our opinion, the A-95 process is not working at the municipal, areawide and State levels, having drifted from its statutory basis (Title IV, Section 401 of the Intergovernmental Cooperation Act of 1968, and Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966). This is a cumbersome Federally-mandated intergovernmental coordination process which has not been very beneficial to HUD program decision-makers.

As you know, Title I of the Housing and Community Development Act Amendments of 1981 eliminates the A-95 review requirement for the Community Development Block Grant and Urban Development Action Grant programs. This will serve to reduce excess paperwork and delay in submittal of applications for HUD program assistance.

It is our belief that the most effective arena for the productive exchange of views and information on Federally-assisted community planning and development issues is clearly at the State and local government levels. The intergovernmental cooperation process should be carried out at the discretion of State and local governments and does not require Federal intervention and costly adherence to procedural regulations.

Thank you for contacting HUD on this matter and sharing your views with us.

Sincerely yours,

Jerome B. Friedman
Acting Director
Office of Planning

MRPC

A Council of [illegible] Governments
Serving the [illegible] Area

101 West Tenth Street
Rolla, Missouri 65401
(314) 364-2993

April 29, 1982

Mr. David Stockman
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

I have read with interest some brief accounts of your office's consideration of changes in the local review of federal projects called for in circular A-95. I would like to bring to your attention several review accomplishments our commission has had recently, and suggest features of the process that should be carried forward.

First, you must understand that I am writing from rural Missouri, specifically six Ozark counties where the largest city has 15,000 persons. But this area is beginning to grow rapidly due to immigration from nearby metropolitan areas, tourism, and increased mining. Almost all of our local elected county and city heads work regular 8-hour-a-day jobs, farm or are retired. It is difficult for us to keep up with the demands on local governments. We need all the help we can get to make sure we can provide basic services. This is why I am writing you now.

The A-95 review process has helped us provide better public services. Our discussion of projects reviewed at monthly commission meetings gives all our mayors and administrative county judges more insight about management skills and helps us share information about local concerns. This review is a major link between local governments and state and federal agencies. The following examples should suggest the benefit of this process more fully.

Late last year the Planned Parenthood of the Central Ozarks board forwarded for our review their request for $85,000 from the federal Department of Health and Human Services. A number of local residents came to our meeting to express their concerns about the lack of family involvement in Planned Parenthood's education efforts. As a result of comments made by the public and local elected officials who make up our board, this grant was reduced slightly and the federal agency required the local organization be monitored by the commission and seek new ways to involve the community and family members in sex education. This process could have long-range beneficial results for our area.

Chairman-Wayne Lough, Presiding Judge Dent Co.
Vice-Chairman-Pete Cunio, Mayor Owensville
Treasurer-Russell Dessieux, Mayor Potosi
Secretary-Carl Hunt, Mayor Cuba
Executive Director-Richard Cavender

Also last year the state sought to purchase a privately owned cave and camping park. Local elected officials pointed out that the affected county would suffer a significant tax loss. Because federal funds were to be used in the purchase, through the A-95 process, a private conservation organization agreed to give the county a one-time contribution of $30,000 which, if invested, would yield an amount approximately equal to the lost tax revenue. Without local review through the planning commission, this donation would not have been possible.

Earlier this year the commission held two hearings on the proposed master plan for the Ozark National Scenic Riverways and received several public comments in the process. These pointed out steps that the National Park Service should take to encourage private operators to provide services for the 1.8 million visitors who visit the Current River yearly. This will result in a stronger local economy and a reduced tax burden nationally.

We have also reviewed in the last year applications for federally supported housing projects which had significant local opposition. The commission served as the only forum available in these cases involving regional housing issues.

These discussions and resulting changes in federal and state policies would be virtually impossible without the meeting place for local governments provided by the commission. Our county courts and boards of aldermen do not have access to expertise to advise us on technical matters and to help us analyze the projects being proposed for our area. The most important service the planning commission provides us local elected officials however, is a regular opportunity for us to meet and learn the opportunities and methods available for us to help ourselves.

While I can see that the proposed change of the A-95 review service can be managed by states in many cases, it seems to me that the federal government and the Office of Management and Budget should encourage review by regional planning commissions or councils of government, as these organizations are also called. For the most part these groups are made almost entirely of local elected officals and serve to strengthen effective, efficient local government. Not only should your new policies which replace the A-95 process be amended to indicate your support for area-wide review by local officials, the new policy should direct states to encourage review by local councils of government. Far from 'discouraging' these regional groups, your office must do what it can to strengthen local intergovernmental cooperation. It is effective not only in reviewing federal policies, but also in helping carry out needed economic and community self-help projects.

As I wrote above, you probably are not familiar with our efforts in these areas. This is why I am enclosing recent issues of our newsletter, our most recent annual report and a recent series of newspaper articles about our successes. I believe our commission provides essential service to local governments that a letter five times as long as this could only begin to mention.

This is why I want to take this opportunity to invite you and any members of your staff to come to the Meramec region and see what our commission is doing. These reports can only touch the surface. You should talk with our mayors, judges and citizens and see what they think of what we are doing. I think our commission is one of the best such organizations of its kind in the nation. If you can take the time to actually see what we and other such councils are doing, I am certain that you will see why I believe strong support for local government cooperation will strengthen your efforts to implement New Federalism.

Our regular monthly meeting is the second Thursday of each month. We would be glad to accommodate you in either May or June. Looking forward to hearing from you soon,

Sincerely,

Wayne Lough

Wayne Lough
Chairman

WL/rw
enclosures
cc All Mo. RPCs
Lois Pohl, Mo. Office of Admin.
Governor Christopher Bond
Dick Hartman, NARC
Rep. Wendell Bailey
Rep. Bill Emerson
Sen. John Danforth
Sen. Thomas Eagleton

RESOLUTION #82-3

WHEREAS, the West Central Nebraska Development District has been formally designated for six years by the State of Nebraska to act as the original clearinghouse for its jurisdictional area encompassing Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Perkins, Chase and Lincoln Counties, and

WHEREAS, the West Central Nebraska Development District Board of Directors has carried out the OMB Circular A-95 process in a systematic and conscientious manner, and

WHEREAS, we, the elected officials and other citizens within the jursidictional area of West Central Nebraska Development District have constantly indicated support for and concern regarding the appropriate federal, state, and local compliance with the provisions of Circular A-95, and

WHEREAS, we, the official representatives in matters of mutual concerns and public interests for this area, feel that the federal A-95 process enables local elected officials and other citizens the opportunity to review and comment upon programs utilizing public funds.

THEREFORE, BE IT RESOLVED that the West Central Nebraska Development District fully supports and strongly encourages the continuation of the A-95 process as delineated in OMB's circular A-95.

FURTHER BE IT RESOLVED that this process be strengthened through federal agencies, conscientious compliance with all provisions of the circular and that local substate designated A-95 clearinghouses continue to play a major role in the process for the good of all citizens.

FURTHER, IT IS RESOLVED that the Board of Directors of the West Central Nebraska Development District feel that this process is an effective way to insure local input, eliminate potential duplication of services, and is an effective way for addressing cost containment programs and projects being financed with public funds.

PASSED THIS 13th day of January 1982.

By: ____________________
Lorraine Orr
Chairman of the Board

Witness:
By: Roger D Bowdish
Roger Bowdish
Secretary/Treasurer

WCNDD

West Central Nebraska
Development District

Rachel Dobscha
Executive Director

112 West 1st, Suite 20 - Ogallala, NE. 69153 - Phone (308) 284-6077

May 21, 1982

The Honorable David Durenburger, Chairman
Senate Intergovernmental Relations Subcommittee
Room 507
Carroll Arms Building
301 First Street, N.E.
Washington, D.C. 20510

Dear Senator Durenburger:

In reviewing the Whitehouse Mailgram regarding the proposed policy for local review previously addressed under A-95, we would like to share some thoughts with you. We realize that these comments are being sent too late to be part of the hearing record of the April 26 hearing on OMB Circular A-95. However, your consideration of our concerns would be appreciated.

For the purpose of simplification, these comments will be addressed to the individual points contained in the Mailgram.

1) This new policy, while appearing to be positive in nature, is very questionable in terms of practicality since the enforcement would no longer be in place from the federal level. It is very vague and, while it appears philosophically acceptable, does not really say anything.

2) This particular policy concerns us because it would appear to address special purpose planning organizations much like those of a single purpose economic development district and/or Council of Governments. As you know, many development districts are single purpose in nature and, while they may not be solely dedicated to planning, planning is a necessary part of their operations. Does item 2 on the Mailgram refer to any special purpose planning organization or those only on the state level? We would appreciate a clarification on item 2 of the Mailgram.

3) With regard to defining federal agency actions, this section essentially states that the states will have the option of whether to initiate or maintain a state level review process for programs and projects involving federal funds. We are concerned because, at a time when states are also trying to reduce cost and curb tax expenditures, such a state level review process would be a likely area where states would cut if such a review process were not mandated from the federal level.

We are already involved in a situation in Nebraska whereby the block grants which Nebraska has taken on are not currently required to go through any sort of statewide local review process. Nebraska's districts, of course, have voiced our

Serving The Community, City And County Governments Of Arthur, Chase, Grant, Hooker, Keith, Lincoln, Logan, McPherson, Perkins And Thomas Counties.

concerns to our Governor and other appropriate state agencies with recommendations that the state will indeed initiate a state level review process of programs and projects to be funded via the nine block grants which Nebraska has assumed administrative responsibility for. To date, we are meeting with some resistance because our State Policy Research Office (traditional A-95 clearinghouse) has indicated that they have plenty of work to do and would take no position in encouraging the Governor to establish such a voluntary review mechanism. As you know, block grants which have been passed to states are not subject to A-95 reviews and therein lies the problem.

Without a mandated review process from the federal level and should states not elect to initiate their own review process, the fact that federal agencies would "communicate with state and local officials as early in the program planning cycle as is reasonably feasible" would be a moot point because any communication from the federal agencies would not be passed on down to the local level.

The underlying point under all of these proposed policies is that there must be a state mechanism to allow local elected officials to communicate their disagreement with programs and actions; otherwise, any disagreement at the local level has no channel to the federal level where impact must be made. Of course, should the states initiate or maintain a review process, the policies as stated in the Mailgram is good in that it states that federal officials shall explain the basis for decisions where local concerns cannot be accommodated.

The policy statement which would provide for the coordination of views for elected officials between states I assume would be done via the federal regional councils in some way assuming the program has an impact on interstate areas. This is very vague and needs to be explained in more detail in terms of what federal mechanism will be used for this interstate communication.

With regard to policy statement No. 5, we feel that it is good that procedures be developed by the federal agencies pursuant to these policies being submitted to OMB.

In summary, while the policies would appear to be good in that it allows state and local governments to design their own type of intergovernmental review, it does not address the problems and the reluctance of states to voluntarily seek local review by elected officials. As is the history with block grants in some states, one cannot automatically assume that states have a desire to seek local input. In our opinion, there should be a major role by OMB to mandate that states do have a review system and leave the design of the review system then to states and local governments. Without this mandate or strong OMB role, it is likely that many local elected officials across the country will not have an opportunity for such input.

The West Central Nebraska Development District Board of Directors and local elected officials have always taken the A-95 review process very seriously and feel quite strongly that the review mechanism should continue whether it be called A-95 or by another name. They are very concerned that without a mandate from the federal level to states nothing will be done - at least not in Nebraska given our current state position.

We appreciate the opportunity to share these thoughts with you and look forward to your response.

Sincerely,

Rachel Dobscha

Rachel Dobscha
Executive Director

MAPA
A Council Of Officials

April 27, 1982

Richard S. Williamson
Assistant to the President
 for Intergovernmental Affairs
White House
16th & Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Williamson: Rich -

Through the National Association of Regional Councils, I have received the draft proposal covering OMB proposed changes to the review and comment system now implemented by Circular A-95.

While I commend and concur with the initial statement which supports federalism in that federal agencies should provide opportunities for consultation by elected governmental officials of state and local governments that will be affected by planned federal actions, I am dismayed at the degree of permissiveness which surrounds the extent to which the states can develop their own processes for review and coordination of federal plans and proposed actions by state and locally elected officials. Having been in contact with both State agencies responsible for review and comment, I find no recognition of the importance of a local review process and no intent to conduct one.

The program transfer to the states, if implemented under these proposed policies, can effectively eliminate local elected officials as participants in the decision-making processes regarding the application and allocation of funds within local areas. While I am fully aware that the decision-making responsibilities will rest firmly with the states, I feel it is imperative that a formal communication and coordination process be instituted to allow for participation. I have also made this known at the state level.

The A-95 process has been a very effective tool for program coordination. In the same manner a state review process can effectuate continued savings of dollars and better expenditures of the limited funds available. Local reviews of competitive applications will become more important as the state moves towards the operation of block grants. Local elected officials feel that the local review process is an integral part of intergovernmental cooperation. It is our opportunity to assist in preventing duplication, to comment on the impact of proposed projects in the local areas, and to assist in coordinating programs between jurisdictions and agencies.

As a member of a Board of Directors of a regional planning agency in an interstate area, I am also specifically concerned about the manner in which you anticipate providing for the coordination of views of elected officials in one

Omaha · Council Bluffs · Metropolitan Area Planning Agency / 7000 W. Center Rd., Suite 200, Omaha, Nebraska 68106 / (402) 444-6866

state with those of another state. Our regional planning agency has provided this mechanism in the past and has been a vital component of reviews of federally funded programs. Until there has been a meeting of the people there often has not been a meeting of the minds. I feel that your proposal needs to elaborate the manner in which interstate area problems will be resolved. I feel it is imperative that local elected officials in the interstate urban areas be involved in the decision-making and review processes regarding programs affecting the urban area.

The Office of Management and Budget should strengthen its policy regarding state submission of competitive block grant applications to local review agencies for review and comment.

I hope that your proposed policies regarding A-95 are given adequate opportunity for review and comment in the same manner that I would encourage continued review and comment on federal actions or state actions affecting local government.

Thank you for your consideration of these comments.

Respectfully,

Steve McCollister

Stephen J. McCollister, Chairman
MAPA Board of Directors

cc: National Association of Regional Councils ✓

WASHOE COUNCIL OF GOVERNMENTS
WCOG

Bernie Ferrari
Washoe County
VICE CHAIRMAN
Don Spanier
City of Sparks
CITY OF RENO
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Janice Pine
Dick Scott
Pete Sferrazza
Jim Thornton
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Ron Player
Tom Ainsworth
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Ed Hastings
Valdo Renucci
WASHOE COUNTY
Steven Brown
F.W. "Bill" Farr
Jim Underwood
Belie Williams
EXECUTIVE DIRECTOR
Robert N. Young

APR 29 1982

April 26, 1982

Richard Williamson
Assistant to the President for
Intergovernmental Affairs
1600 Pennsylvania Avenue
The White House
Washington, D.C. 20510

Dear Mr. Williamson:

This agency recently received a copy of the intergovernmental policies which have been proposed as replacements for the A-95 review process. While the A-95 process cannot be considered an unqualified success on all fronts, the new policies would seem to offer even less chance of successful review and coordination of planned federal activities by state and local governments. The varying degrees of commitment observable among different entities, in the event of abolishment of the A-95 review requirement, would result in a highly marked variation of effort among those entities in the development and utilization of new coordination procedures. The end result of this variation in effort would inevitably have to be a series of spillovers from those states and localities which choose not to develop their own processes for plan review and coordination to those which decide to do so. Without a review requirement, which is consistent across government boundaries, there is likely to be even less coordination and intergovernmental cooperation in the future than exists at present.

For these reasons, we urge that consideration be given to possible revamping of the A-95 review procedure rather than its total abolishment.

Sincerely,

Robert N. Young

Robert N. Young
Executive Director

RNY.kr

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STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF PLANNING

JOSEPH A. LE FANTE
COMMISSIONER

329 WEST STATE STREET
CN 806
TRENTON, N.J. 08625

September 24, 1981

Mr. James Kelly, Deputy Associate Director
Intergovernmental Affairs
Office of Management and Budget
New Executive Office Building, Room 5235
726 Jackson Place, NW
Washington, D.C. 20503

Dear Mr. Kelly:

As you may be aware, the Council of State Planning Agencies recently held an annual meeting in Vermont and the topics of discussion covered many timely issues. One such issue was deregulation and the development of the Block Grant Programs. In the course of this discussion, mention was made to limiting the involvement of the A-95 Program in future grant activities.

The New Jersey State Clearinghouse has been working with your office in presenting factual information regarding our program in New Jersey. I have enclosed a copy of an updated report which had previously been sent to Waide Egener and we plan to distribute this report to all Clearinghouses and Federal Agencies. We feel that New Jersey's program has been of benefit to the State in coordinating its activities with Federal grant proposals and that, over time, the system has been streamlined so as not to overburden the applicant with review procedures. Our system concentrates its staff effort on those applications which have major impacts on State programs and we attempt to resolve those issues through special staff interests in mediating the problems between the applicant and the review agency. The result of this effort can be seen in the fact that most grants are "cleared with conditions" or are "approved" based on an equitable compromise between all parties. Thus, the claim that the A-95 system is overly bureaucratic is not valid for New Jersey.

We hope that the attached report will assist you as your office begins to implement changes in those areas of intergovernmental coordination and that programs which have proven to be beneficial are not discarded for the sake of expediency. We realize all systems can be modified and improved and we further offer our assistance to you in further explaining the New Jersey experience.

Very truly yours,

Richard A. Ginman, Director
Division of Planning

RAG:pp
CC: Alan Gelfand
Attachment
bcc: Robert Wise, Director ✓
Council of State Planning Agencies

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF PLANNING

JOSEPH A. LE FANTE
COMMISSIONER

320 WEST STATE STREET
CN 806
TRENTON, N.J. 08625

September 23, 1981

Mr. Robert N. Wise, Director
The Council of State Planning Agencies
Hall of the States
400 North Capitol Street, Suite 291
Washington, D.C. 20001

Dear Bob:

As a follow up to our recent meeting in Vermont, I have enclosed a copy of a paper, prepared by the State Clearinghouse, outlining New Jersey's experience with the A-95 review process. In the material from the meeting and through discussion, it became obvious that the new wave of deregulation has brought the idea forward that A-95 is an overly bureaucratic review. I think you will see from this paper that in New Jersey the system is streamlined for those projects which receive no comment and that our energies are directed to those projects which obviously have a major impact on State programs. Therefore, in New Jersey, the system is anything but bureaucratic since the Clearinghouse staff devotes a major portion of its time to personally becoming involved in real issues and in servicing those applicants which need special attention.

We cannot speak for the rest of the Clearinghouses across the Nation, but we feel that A-95 has been an effective tool in coordinating Federal projects with State programs and should be continued.

Very truly yours,

Richard A. Ginman, Director
Division of Planning

RAG:pp
Enclosure

NEW JERSEY IS AN EQUAL OPPORTUNITY EMPLOYER

The New Jersey State Clearinghouse has been in operation for more than ten years. During this period, many changes have occurred within the Project Notification and Review System and within the state government which have added significant responsibilities to the Clearinghouse, ranging from project review to negotiating the disposal of Federal surplus property. The state has embarked on a state planning program that includes the development of a Guide Plan and the organizational structure of a Cabinet-level committee to review long-term plans and large-scale developments which impact on state resources. The A-95 Clearinghouse has kept pace with these changes by both streamlining its procedures and by improving the quality of its reviews. This report attempts to place before you information upon which you can assess the activities of the Clearinghouse function. Through a case history format, the report will highlight significant reviews as a demonstration of a capability of the Project Notification and Review System actually to impact funding decisions and program objectives within the broad Federal grant system.

The A-95 Process in New Jersey

In New Jersey, the Division of Planning, in the Department of Community Affairs, is responsible for the preparation and maintenance of a long-term State Development Guide and to support the planning operations of all levels of government (New Jersey Administrative Code, Title 5, Chapter 42, Sub-Title E). In the laws of 1944, the Division was given further powers to review Federal grant activities. Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 required review of certain federally-aided projects by both a metropolitan planning agency and the state. The procedure for this review was set forth in the U.S. Bureau of Budget Circular Number A-85, as revised on January 10, 1969.

In addition, the provisions of Title IV of the Intergovernmental Cooperation Act of 1968 (Public Law 90-577) have considerably broadened the scope of project review and the range of interests to be consulted. Title IV's basic objectives center on the importance of the nation's sound and orderly development. Section 401(b) of the Act requires that "all viewpoints - national, state, regional and local - shall, to the extent possible, be taken into account in planning Federal or Federally assisted development programs and projects." Moreover, Section 201(c) states that "to the maximum extent possible, consistent with national objectives, all Federal aid for development purposes shall be consistent with and further the objectives of state, regional, and local planning."

The Federal Office of Management and Budget (OMB), set forth the basic administrative procedures for the Project Notification and Review System to be followed, in its Circular Number A-95 (revised). This directive implemented the pertinent sections of the Intergovernmental Cooperation Act of 1968 and the Demonstration Cities and Metropolitan Development Act of 1966. Under gubernatorial directive, the Division of Planning was designated as the State Clearinghouse, and the Director of the Division serves as the State Review Coordinator, assisted by a staff assigned specifically to the Project Notification and Review System.

The A-95 Team is comprised of five professional staff members and one full-time clerical employee, at a combined annual salary of $121,500. Within the past year (FY 1981), the Team processed 1,720 applications, representing projects totalling $2,654,946,072. Copies of these applications were sent to selected State Review Agencies, chosen from a group of over twenty, depending upon project type. In addition, by either Memorandum of Understanding or because of specific regulations, the U.S. Navy, U.S. Air Force, Hackensack Meadowlands Development Commission, and the N.J. Pinelands Commission review applications. Recently, the Clearinghouse has assisted the counties of Burlington, Camden, Gloucester, and Mercer in performing regional-level reviews, since the Delaware Valley Regional Planning Commission was unable to continue the metropolitan clearinghouse function. Other counties in New Jersey are served by regional agencies, (Tri-State Regional Planning Commission, Wilmington Metropolitan Area Planning Coordinating Council), while 7 counties (Atlantic, Cumberland, Cape May, Hunterdon, Ocean, Sussex, Warren) serve as their own metropolitan or non-metropolitan clearinghouses.

Some of the reviews performed by the Clearinghouse are mandated by legislation and must be done for all applications. They are listed as follows:

- Civil Rights. The New Jersey Department of Law and Public Safety's Division on Civil Rights is charged with enforcing or furthering the objectives of state/local civil rights laws. As such, this Division reviews all applications submitted to the Clearinghouse. 41 F.R. at 2053 A-1 (3) (e.).

- Environmental. The New Jersey Department of Environmental Protection's Office of Cultural and Environmental Services is authorized to develop and enforce environmental standards, and therefore it receives copies of all applications submitted. 41 F.R. at 2053 A-1 (3) (d.).

- Conformance with the State Development Guide Plan. The New Jersey Department of Community Affairs' Division of Planning has drafted the Plan, which is used as a reference in reviewing applications for Federal assistance. N.J.S.A. § 13:1B-15.52 & 41 F.R. at 2054 A-1 (5).

Also, applications for projects in certain geographic areas require specific mandated reviews. They are:

- Coastal Zone. Project proposals located in the coastal area, including but not limited to riparian, tideland, and wetland acreage must be reviewed by the New Jersey Department of Environmental Protection's Division of Coastal Resources. 41 F.R. at 2053 A-1 (3) (c.).

- New Jersey Pinelands. All projects proposed for the Pinelands, which encompasses approximately 1,000,000 acres of natural wilderness located in the Pinelands National Reserve, must be reviewed by the Pinelands Commission. 16 U.S.C.A. § 471 (i) (1980).

- Hackensack Meadowlands. All project applications proposed for this district, which comprises about a 20,000 acre land area, must be reviewed by the Hackensack Meadowlands Development Commission. N.J.S.A. § 13:17-1 et seq. (1979).

- Sole Source Aquifer. Any project proposed for certain Federally designated areas must be reviewed by the State's Department of Environmental Protection's Division of Water Resources. 42 U.S.C.A. § 300h-3(e) (1980).

There is a specific step-by-step processing procedure that takes place when an application for Federal funds is submitted to the Clearinghouse. This procedure has a built-in system of checks and balances and involves several different processors/reviewers, depending upon project type and location. In fact, a single application may be looked at by as many as 9 different people. In this way, each project is individualized and passes through the system with the personal attention of several A-95 Team members.

When an application is received by the Clearinghouse, it is assigned a State Application Identifier (SAI) number and logged in according to date received, type, location and description of project, Federal funding agency, Federal Catalog number, both grant request and total dollar value of the application and applicant name, address, phone number and contact person. Depending upon application type and through previous discussions with review agencies as to their program interests, the A-95 Team forwards the appropriate application for review by duplicating the essential materials. At the same time, a Letter of Receipt/Clearance is sent to the applicant, acknowledging receipt of the application and stating that, if there are no adverse comments generated by the reviewing agencies, then the applicant, at the end of the designated review period, either 30 or 45 days, is cleared to submit a final application to the Federal funding agency. If a negative comment is received by the Clearinghouse, within the review period, then A-95 Team members will attempt to resolve the issue in any way that they can, whether by telephone calls or by arranging a conference among all concerned parties. The results of these efforts and the eventual resolution of the application are contained in a separate Letter of Clearance.

Out of the 1,487 applications received, the Clearinghouse sent 432 Letters of Clearance, because of either significant issues which were not fully resolved, or comments received which were informative to the applicant as to further requirements. A Clearance Letter incorporates all significant comments generated by the State Review Agencies and indicates any further action to be taken or additional procedures to be followed by the applicant, prior to final submission to the Federal funding agency.

Case Studies

The A-95 comment option presented to the State Review Agencies provides several areas of benefit. Simply stated, the comment system attempts to:

1. Avoid duplication of plans and activities
2. Inform applicants of potential permit or review requirements
3. Suggest coordination of efforts in planning or program implementation

These three areas will be discussed at greater length below, and case histories will be presented to illustrate them.

Because of the comment option, the A-95 system not only offers the potential to save the taxpayers' money (e.g., avoid duplication of effort), but also it enhances the development of communication between the applicant and the various state regulatory agencies that will be entering the process at a later point in the system.

The following case histories, taken from Fiscal Years 1980 and 1981, have generated comments which are regarded by the Clearinghouse as examples of fulfilling the Federal Office of Management and Budget's Circular A-95 mandate and the legislative mandate of the Division of Planning. The comments are put forth in the Clearance Letter, which also presents the final position that the Clearinghouse has taken in regard to an application. In most cases, the

Letter of Clearance is sent directly to the applicant, with a copy going to the appropriate Federal funding agency.

For each case history presented below, basic information about the project will be given first, then the State Review Agencies' comments will be excerpted from the Clearance Letter, and lastly, a discussion of what the case history illustrates will be presented.

1. City of Millville (Cumberland County); application for Atlantic City Electric Generating Plant and Impact Study; grant request to U.S. Department of Commerce for $20,000; total project value: $25,000. In the Letter of Clearance, the following comments appear:

   "We have circulated this application to the appropriate New Jersey State Review Agencies, and have received their comments. The New Jersey Department of Environmental Protection has indicated that this study would duplicate the work presently being done by Atlantic City Electric and its consultants. The utility's environmental work should be complete in 6-8 months. A formal EIS may be required. Therefore, the City of Millville could better use the grant monies at a later date (maybe next year) to evaluate the conclusions reached by the Atlantic City Electric Company and/or the EIS."

These comments provide a good example of the Clearinghouse alerting the applicant to the possibility of a duplication of effort.

2. Bass River Township (Burlington County); application for a 201 draft Wastewater Facilities Plan; grant request to the U.S. Environmental Protection Agency in the amount of $69,072. In the Letter of Clearance, the following comments appear:

   "The New Jersey Department of Community Affairs' Bureau of Statewide Planning has stated the following: 'The facilities plan will define wastewater problems and evaluate alternatives. Such a planning effort is consistent with long-range state planning efforts. The Study Area appears to be located within both the Pinelands Planning Area and the Coastal Zone Area. Both of these planning programs should be consulted in the preparation of the facilities plan.' "Also, the New Jersey Pinelands Commission indicated that much of the data talked about already exists from them and others. They suggest that the study concentrate on alternatives such as the possibility of connecting with the Ocean County facilities located about 1/2 mile from this site."

These comments are also illustrative of the Clearinghouse bringing up a possible duplication of effort, as well as informing the applicant of two agencies/programs to contact regarding procedure and possible coordinative activities.

3. Township of North Bergen (Bergen County); application for a development to be known as the "River Road Shopping Mall;" grant request to the U.S. Department of Housing and Urban Development (HUD) for $3,750,000; total project value: $16,032,650. In the Letter of Clearance, the following comments appear:

   "The New Jersey Department of Environmental Protection had

> requested a conference with the applicant to discuss areas of potential conflict. The following comments and permit requirements are the result of that conference.
>
> 1. Waterfront Development Permit (Riparian Permit) for the bulkheading application should be submitted to the Division of Coastal Resources, New Jersey Department of Environmental Protection.
>
> 2. Possibly, a second Waterfront Development Permit to sanction an illegal placement of fill beyond the established riparian fill line. This issue should first be researched to determine whether or not the fill was properly permitted.
>
> 3. Section 10 and Section 404 Dredging Fill Permits from the U.S. Army Corps of Engineers, New York District.
>
> 4. Water Quality Certification in conjunction with Corps permits to be issued by the Division of Water Resources, New Jersey Department of Environmental Protection.
>
> Also in addition to the above permit requirements, the following comments were forwarded to the Clearinghouse by the Department of Environmental Protection: 'It was further understood at the conference that the applicant proposes to provide a park like environment at the river edge of the development. The applicant proposes landscaping, benches and walkways at the water's edge. While endorsing this concept, we further suggest that the developer of the site may want to consider the transfer of the filled land beyond the riparian line to the municipality for dedication as public park/and open space. The provision of public access to the water's edge is one of the basic policies of the Department of Environmental Protection's Coastal Zone Management Program. Therefore, the initiation by the Township and the developer of the proposal to dedicate a small strip of land at the water's edge for public access would be looked upon very favorably.'"

These comments show the Clearinghouse (a) informing the applicant about permit requirements; (b) suggesting coordination with a state agency; and (c) pointing out certain deficiencies in the application, as well as a potential conflict with state-directed activities in the area.

4. New Jersey Department of Community Affairs' Bureau of Local Planning; application for the impacts of energy facility siting in the Coastal Zone; grant request to the U.S. Department of Commerce for $60,000; total project value: $75,000. In the Letter of Clearance, the following comments appear:

> "The New Jersey Department of Environmental Protection has indicated that CEIP regulations require an examination of all CEIP proposals for consistency with state coastal management programs. The review of this project for consistency with the New Jersey Coastal Management Program is underway.
>
> Also, the New Jersey Pinelands Commission has indicated that two of the areas covered by the project (Lacey Township and Millville) are within the Pinelands Area. The Commission

would like to receive the results of the study, because it has the impression that some of the work may have already been done (especially in regard to Lacey Township), and it may be able to contribute to your study."

These comments illustrate that the Clearinghouse has made sure that the application is consistent with existing state plans, as well as pointing out a potential area of duplication in effort.

5. Camden County Municipal Utilities Authority; application for the construction of prelminary treatment facilities (Phase I); grant request to the U.S. Environmental Protection Agency for $9,028,050; total poject cost: $12,037,400. In the Letter of Clearance, the following comments (from the Bureau of Statewide Planning) appear:

   "This plant (the main, existing one) is not meeting effluent limitation requirements since it is obsolete and is providing only primary treatment.

   The MUA proposes to construct the new facilities in phases in order to maintain existing plant operations and commence initial construction activities during the beginning winter months of 1980, prior to completion of the Facilities Plan. Phase I construction consists of site preparation and supply of two electrical transformers.

   The application indicates that the facility will be designed for an average flow of 60 MGD, which according to DEP constitutes existing flow. The facility will serve 26 municipalities in Camden County, all of which are located within a region that is classified as a Growth Area by the SDGP. This is an area which contains a significant amount of existing development, and where additional growth and the supporting infrastructure investments would be appropriate."

These comments provide a good example of the Clearinghouse endorsing a project in an urban area, and giving its reasons for doing so.

6. Clove Road Utilities Corporation; application for a potable water system at a country club (second home) community in Montague Township (Sussex County); loan request to the New Jersey Farmers Home Administration (FmHA) for $2,480,000. In the Letter of Clearance, the following comments appear:

   "The Department of Community Affairs' Bureau of Statewide Planning had indicated a potential conflict between the State Development Guide Plan (SDGP) designation of the project area and the ultimate effect of the purchase and expansion of the water supply system. They go on to state: 'The SDGP classifies the area in which Canyon Ridge is located as an Open Space Area. This is a region which contains important natural resources and provides an atttractive setting

> for major recreational and resource conservation opportunities. Public facilities and services are generally lacking in the area. A large portion of the region is in public ownership, management, or some combination of investment and regulatory practice. Public investment in infrastructure should be limited to those required to correct existing health and safety problems only rather than to support or to encourage new development.'

> Following a series of site inspections and conferences regarding the proposed system and its needs, the Clearinghouse has formulated a position on this application. This position is based on the inspection reports of the country club to bring the present system into compliance with the Bureau of Potable Water's standards thus correcting existing health and safety problems

The following is a description of the water system and improvements recommended by the Division of Potable Water:

> The Canyon Ridge Development is served by three separate and distinct water systems. They are the Main System, referred to as Stage I; the Armstrong System, referred to as Stage II; and the True System, referred to as Stage III.
>
> Based on the number of services and population presently served by each water system, Stage III or the True System served by well number 4 is not considered a public water system. Stage II or the Armstrong System will be added to the New Jersey Department of Environmental Protection record as a public community water system.
>
> In order for the water systems facilities, namely Stage I and Stage II, to be in compliance with DEP construction standards, the following immediate improvements are necessary.
>
> STAGE I - MAIN SYSTEM
>
> 1. The construction of storage facilities with an effective treated water storage capacity equal to or greater than the annual daily average demand (approximately 0.4 M.G.). The already proposed and approved 0.5 M.G. ground reservoir does not seem to be overly designed to meet present demands and limited future growth.
> 2. Interconnection of the proposed 0.5 M.G. ground reservoir to the distribution system with a 3,000 foot ten-inch main.
>
> STAGE II - ARMSTRONG SYSTEM
>
> 3. Major improvements to well number 5 with possible improvements to treatment facilities to secure approval from the DEP.
> 4. Provisions for storage facilities with a minimum effective treated water storage capacity of 3,600 gallons. A pneumatic tank of sufficient capacity is recommended.

STAGE III - TRUE SYSTEM

This system is not (by definition) a public water system and does not have to meet New Jersey DEP requirements. However, the developer has proposed an interconnection with the Main System which requires approximately 1,000 feet of six-inch main.

The Clearinghouse would prefer that the Farmers Home Administration base its funding decision on the cost-effectiveness of this main extension.

STAGE IV - NEW DEVELOPMENT

The developers have also proposed a fourth and last stage for the development of 53 lots at the higher elevation near the proposed site for the 0.5 M.G. ground reservoir. This section would require a separate boosted distribution system with a pneumatic tank and booster pumps deriving water directly from the nearby ground reservoir. Presently no improvements have been made at all in this section and no lots have been conveyed to any private individuals.

The Clearinghouse feels that since there is no existing need for this section, this portion need not be funded.

In conclusion, it must be emphasized that the Clearinghouse cannot endorse a project that goes beyond fulfilling the health and safety needs of the existing residents of this area."

These comments show the Clearinghouse pointing out to an applicant an inconsistency with the SDGP, because the project is proposed for an area that contains important natural resources. The application's approval could lead to explosive growth in an area not suited to accommodate it. Also, the Clearinghouse does not feel that putting in water and sewer lines to a second home community is of a high enough priority for the FmHA to fund.

7. Gloucester County Utilities Authority; application for the alteration and expansion of the wastewater treatment facility; loan request to the FmHA for $9,835,000; total project cost: $9,909,000. In the Letter of Clearance, the following comments appear:

"Comments were received from both the New Jersey Department of Environmental Protection and the Department of Community Affairs' Bureau of Statewide Planning indicating potential conflict with State Agency plans. Additional time was then requested by these review agencies to develop comments on the application. Based on extensive review, several conferences, and the comments of both the Bureau of Statewide Planning (DCA) and the Bureau of Water Resources (DEP), the State Clearinghouse recommends approval of Phase I and II of the application which will correct existing deficiencies and expand the capacity of the plant from 16.5 MGD to 20 MGD. The Clearinghouse cannot recommend the third phase of the expansion which would increase the capacity of the plant to 25 MGD until we receive notification that the 201 Facilities Plan has received final approval from both the U.S. Environmental Protection Agency and the New Jersey Department of Environmental Protection.

> It is, in fact, required that a draft facility plan and any associated grant application materials should be submitted to the A-95 Clearinghouse for review prior to submittal to the Department of Environmental Protection and EPA for approval pursuant to 40 CFR 205-8 (b) (2). Therefore, the Clearinghouse should have the opportunity to review and comment on the completed draft Facilities Plan (201) prior to its implementation."

These comments provide an example of the Clearinghouse pointing out to the applicant that certain state requirements concerning earlier phases have not been met, prior to the submission of a later phase. The conflict with state agency plans mentioned above is due, in part, to the project's proposed location in areas considered to be for limited growth and agriculture, according to the SDGP. In this way, the Clearinghouse is trying to prevent haphazard development and to insure that the applicant plans for growth in its service area.

8. (A private developer); application for the construction of racquet ball courts and a health spa in McAfee (Vernon Township), Sussex County; loan request to the FmHA for $850,000. In the Letter of Clearance, the following comments appear:

> "The application has been reviewed by the appropriate state agencies, as well as by the Clearinghouse's Urban Impact Team. Based upon the proposed project's potential urban impact, the Clearinghouse recommends that the application be:
>
> __________ Approved
>
> __________ Approved with conditions
>
> ____X____ Disapproved
>
> The Clearinghouse has received significant comments from several state agencies relative to their final review of this application. The New Jersey Department of Transportation (DOT) states that the project requires a highway access permit. You should contact the DOT's Region I Office, located on Route 206 in Netcong (telephone: 201-347-4415) for further information. The Department of Community Affairs' (DCA) Division of Community Resources questions the need for a public loan guarantee for this project and recommends that the application be denied by the Farmers Home Administration in favor of programs which are of greater public benefit. The DCA's Bureau of Statewide Planning, in the Division of Planning, states that the project site for which this loan request is being sought is located within a designated Limited Growth Area as depicted in the State Development Guide Plan. Within the context of the Guide Plan, this designation reflects low-density development patterns and the absence of major growth-supporting infrastructure or services. The policy of the Guide Plan is for these Limited Growth Areas to remain at relatively low densities in order to encourage development within Guide Plan designated Growth Areas. To maintain the status quo of Limited Growth Areas, the Guide Plan recommends that public investments in such areas be limited to those required to maintain health, safety, and general welfare standards for existing development. This loan request application is incompatible with the Guide Plan policies dealing

with Limited Growth Areas.

> The Clearinghouse's Urban Impact Team has subjected the application to an urban impact review. The conclusion of this group is that the proposed project would serve only a limited segment of the region's population and that the facility would be located in an area of the State where new developments backed by governmental loan guarantees should be discouraged. Therefore, for these reasons and those of other state review agencies mentioned above, the Team recommends the denial of this application for a Farmers Home Administration loan guarantee."

These comments provide a good example of a negative stance taken by the Clearinghouse toward an application. All the State Review Agencies commenting on the project did so negatively, and the overall position taken by the Clearinghouse was to recommend disapproval of the application.

Other Related A-95 Impacts

Further, the A-95 system is utilized by both state and Federal agencies to implement and coordinate their planning activities. One prominent example is that the HUD-mandated Housing and Land Use Elements have always used A-95 as the common denominator across the nation as an implementation mechanism. The past financial investments of the nation's citizens must be protected, especially in these times of fiscal constraints and inflation. Initially, HUD had mandated that the states develop and implement the Land Use and Housing Elements, and it was a congressional decision that the two elements be required. As the development of these programs evolved in the states, A-95 was always mentioned as one important implementation tool. This decision has more than proven itself, as all A-95 projects are reviewed in light of the State Development Guide Plan, which is the specific tool utilized to implement the Land Use Element. Now that the A-95 process has shown itself to be successful, any decision to weaken it makes little sense.

The A-95 system also has great value for its role between and among municipal, county, state and Federal agencies and groups. Not only does A-95 provide for bringing together applicants and the New Jersey State Review Agencies, for the purposes of resolving application conflicts, providing clarification, and in general developing an atmosphere of mutual help and understanding, but also it can be important regarding potential funding sources. If funds are not available from one Federal source, or in the event of a rejection, through A-95 an applicant may be able to seek alternative sources for revenue. In fact, the New Jersey State Clearinghouse's A-95 Team has been working closely with the N.J. Department of Labor and Industry's Division of Economic Development (DED) on a program known as the Federal Assistance Programs Retrieval System (FAPRS). FAPRS is a computerized system which contains all the available Federal funding programs and sources, as listed in the Office of Management and Budget's Catalog of Domestic Assistance. The key coordinative feature of this work is that the DED can make known to municipalities what is available, and the A-95 Team can assist the applicant in further utilization of this information. Taken in view of the fact that many Federal programs are being eliminated, any system for helping localities get funding becomes increasingly more important.

The A-95 system can also save applicants and state/Federal agencies time during the application process. By sending copies of an application to the State Review Agencies, the Clearinghouse automatically finds out what permits, if any, may be required of an applicant. If the applicant does not learn of the necessity of obtaining certain permits, until conceivably much later in the review process (perhaps even after final submission to the Federal funding agency), then valuable time would be lost, while the applicant went back to correct this deficiency. Not only can A-95 save time in this manner, but also it can provide the valuable service of advising applicants just what has to be done prior to final submission.

Future Initiatives

There has been much discussion recently about the amount and general inefficiency of Federal regulations. Currently, there are approximately 500 programs, representing $90 billion, and containing over 3,000 regulations and 250 mandates. There is much support for the deregulation and decongestion of these regulations. As the Federal government attempts to cut costs and "red tape," once again the A-95 process assumes a significantly important role. The Clearinghouse not only helps applicants (by advising them in one letter what additional step(s) will/may be required), but also, at one time -- simultaneously -- it provides all interested agencies with the opportunity to review applications related to their specific interests and concern. One can only imagine the confusion and delays that would result if an applicant had to make separate submissions to each State Review Agency and wait for clearance from each, prior to going on to the next.

Considering the fact that the New Jersey State Clearinghouse can process more than 1,700 applications -- worth over $2.6 billion, for only a cost of about $120,000, the cost per volume is extremely low. For a relatively small investment of Federal funds, much has, is, and can continue to be, realized in return. The cost-benefit ratio is one which no Federal agency can afford to ignore. The continuation of Federal support and the availability of Federal funds is essential, not only to the Clearinghouse, but also the Federal government, to insure continued coordination.

It is important to the Federal government to monitor and audit the consolidation of its programs into block grants. If any Federal agency were to go about designing and setting up a new mechanism to accomplish this end, it would be a costly endeavor. The A-95 system is already in place, communicating with applicants and agencies on a daily basis, and it could be easily enhanced to incorporate any Federal monitoring/auditing process.

For the past several years, the Federal government has been encouraging the development of systems to measure feedback from the Federal funding agencies to the clearinghouses and State Review Agencies, for the purposes of determining whether or not generated comments had any effect on final funding decisions. Recently, at least in New Jersey, studies are being made in this direction, as Federal agencies are sending back completed 424 forms to the Clearinghouse. Also, the Federal Regional Council has been looking into the standardization of application identifier numbers, so that applications can be more easily tracked. In fact, a new application identifying system was implemented by the N.J. Clearinghouse on June 1, 1981 to meet the objectives of the Office of Management and Budget's Federal Assistance Award Data System (FAADS). FAADS is a system under which a computerized version of Standard Form 424 is produced, which indicates a Federal funding agency's funding decision concerning each application submitted to it.

The purposes of this report have been to demonstrate, both in general, overall terms and specifically, through the citation of case histories, the valuable usefulness of the A-95 Federal Project Notification and Review System and the New Jersey State Clearinghouse. A brief description of how the Clearinghouse operates has been given, as has a sampling of Clearinghouse action (based upon input from the State Review Agencies), ranging from project endorsement to project disapproval. Some of the case histories, especially those in which potential duplication of effort has been pointed out, serve as examples of how the Clearinghouse has saved both applicants and agencies time and money. It is not always possible, in these cases, to affix an exact, tangible dollar figure to these savings, as work not done is often immeasurable. Exact, specific amounts of time saved are likewise difficult to determine, but any amount of time saved is extremely important, especially when a stringent schedule must be met within a predetermined timeframe, such as the 30-day or 45-day review periods.

The coordinative aspects of the A-95 system have been discussed, as the Clearinghouse serves as liaison between and among local, county, state, regional, and Federal agencies, as well as mediator, when the resolution of conflicts must be handled. The role of the Clearinghouse as dispenser of important information has been adequately demonstrated in the case histories, such as in situations where applicants have been alerted to various permits and procedures with which they may have to contend.

The high regard for the A-95 process that Federal agencies have may been seen in a number of ways. When HUD was seeking a mechanism to try to measure urban impact, it looked to the state clearinghouses (New Jersey was one of the 14 grant recipients selected), under the Urban Impact Review System program. An important part of HUD's Community Development Block Grant/Technical Assistance program was, in New Jersey, performed by the Clearinghouse, one aspect of which was the development and publishing of an informational Community Development Newsletter.

When the U.S. Environmental Protection Agency (EPA) was concerned with protecting the Buried Valley Aquifer (in northern New Jersey) from pollution, potentially caused by development or industrialization, because it was the only source of potable water in the region, it came to the Clearinghouse. The program was discussed, and a process, known as the Sole Source review process, was developed and implemented, as a result of the EPA entering into a Memorandum of Understanding with the Clearinghouse. This also serves as an example of cost-savings, as the Sole Source process was fit into the existing A-95 mechanism, rather than necessitating the design and implementation of a new system. Also, the U.S. Navy and the U.S. Air Force both executed Memoranda of Understanding with the Clearinghouse so as to find out what developmental activities were being planned or going on near their military bases in the state. These branches of the Armed Services are now part of the A-95 system and review projects on a regular basis. In addition, the U.S. Army has had several conversations with the Clearinghouse and may soon become a review agency via a Memorandum of Understanding. The FmHA will not grant a loan request to an applicant unless the application is consistent with the SDGP and meets other standards of the Clearinghouse.

The A-95 system has proven itself, again and again, to be a useful, efficient, easily adaptable, cost-savings process, which provides a valuable service to applicants and reviewing agencies. It has taken a long time, but the State Clearinghouse function in New Jersey is now beginning to be looked upon as a helpful entity, and one that can get answers to questions quickly. Recent activities undertaken by the A-95 Team to elevate the profile of the Clearinghouse and explain its functions, have included the publication of an informational brochure, and the presence of an A-95 display booth at both the League of Municipalities Convention in Atlantic City and at the annual State Planning Conference in Freehold. Also, various other conferences and meetings have been attended by Team members, and several presentations have been made to the public.

The New Jersey State Clearinghouse has accomplished much, as documented in this report, and it can do even more (e.g., a study is being done about computerizing certain aspects of the process), but it must continue to receive Federal cooperation and funds. At this most crucial time, it is difficult to understand why Federal emphasis would change its support of A-95, especially since the Federal establishment has worked so hard to upgrade the process and help shape it into the well-running, relatively smooth-operating system it is today. Whatever the reasons and ultimate decision, it should be perfectly clear that the A-95 system in New Jersey works and should continue to receive Federal funding.

RESOLUTION

WHEREAS, the Eastern Plains Council of Governments is a voluntary association of seven county governments, eighteen municipal governments and seven citizen participation groups within the area of Eastern New Mexico known as Planning and Development District IV; and

WHEREAS, the Council was established in 1972 to assist member governments address regional problems, issues and opportunities; and

WHEREAS, the Eastern Plains Council of Governments is an A-95 Clearinghouse which has actively participated in the review process to help achieve the maximum effective use of federal funds; and

WHEREAS, the A-95 review process is clearly vital to insure that future federal assistance is wisely spent for locally established priorities without needless duplication; and

WHEREAS, there has been an apparent de-emphasis or total elimination of an A-95 review requirement as a prerequisite for obtaining funds from many assistance programs; and

WHEREAS, the Reagan Administration's objective to return flexibility and decisions to local and state governments will increase the necessity for funding applicants to conform to locally established plans and priorities; and

WHEREAS, the A-95 review process will service as a most effective instrument to achieve that objective,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Eastern Plains Council of Governments, that:

1. The requirement for A-95 review at the local and regional level be retained for all applications for federal assistance.

2. The federal Office of Management and Budget stongly consider continued federal support for the A-95 review process.

3. Adequate financial resources be provided to continue the A-95 review process to the fullest extent at the local and regional level.

PASSED, ADOPTED AND APPROVED THIS   day of August, 1981,

ATTESTATION:

Leland D. Tillman
Leland D. Tillman
Executive Director

EASTERN PLAINS COUNCIL OF GOVERNMENTS:

Thomas Kent
Thomas Kent
Chairman

Eastern Plains Council of Governments

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

LLOYD S. RIFORD, JR.
ASSEMBLYMAN 125TH DISTRICT
WEST GENESEE ROAD
AUBURN, NEW YORK 13021
(315) 252-7986

ROOM 535
LEGISLATIVE OFFICE BLDG.
ALBANY, N.Y. 12248
(518) 455-4617

December 30, 1981

Mr. Edwin L. Harper, Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, D. C. 20503

Dear Mr. Harper:

The Presidential Task Force on Regulatory Relief reportedly has targeted OMB Circular A-95 for intensive review stating that A-95 has become only another example of "bureaucratic excesses." I disagree with this charge. I would like to share with you my views on the A-95 process.

It is important to remember that A-95 was originally created as a tool for local governments to express their views on the need for publicly funded projects in their locality; to see to it that such projects are not duplicated by any other public or private program; and, most importantly, to ensure that the projects are cost-effective and can maintain strict cost controls. In my Legislative District in Central New York, this review is taken as a serious responsibility. It is through the A-95 process that local government is heard and is the only vehicle in existence for cost control based on local perceptions of need.

I can certainly agree that almost any regulation can be improved, Circular A-95 being no exception. As an example, despite a total lack of local support and vigorous opposition by myself, fellow Legislators, our regionalclearinghouse and others involved in criminal justice activities in Central New York, the Office of the Special Prosecutor in Onondaga County, appointed by our present Governor, was funded by the Law Enforcement Assistance Administration for four years at a cost to the taxpayers of over $2 million. To bring a halt to this type of abuse of public funds, the A-95 process should be strengthened and streamlined by adopting the following changes which, I understand, have been proposed by OMB, acting on recommendations of the General Accounting Office:

1. "Disciplining" federal agencies to comply with the notification and review process by suspending award of funds when local comments are disregarded, or when awards are made prior to review.

2. Developing program-specific guidelines which clearly outline the applicant's responsibility, the funding agency's responsibility, and the clearinghouse's responsibility in the review process.

3. Instructing federal agencies not to process applications until the review process is completed.

4. Setting up a system of more aggressive compliance monitoring within the Office of Management and Budget.

These proposed changes are calculated to ensure that local voices are heard in Washington. This approach supports the President's views on the nature of federalism and reinforces initiatives for local control. Furthermore, as we move from a categorical approach to a block grant system, A-95 review will become an even more important tool. In New York State, and, perhaps many other states as well, the State Clearinghouse is minimally staffed and simply cannot seek out the opinion of local government. If funding decisions are truly to be shifted to the State and local levels through a block grant system, A-95 must remain a keystone for conveying local opinion.

It seems more than probable to me that those who have complained about the review process may very well have had applications closely scrutinized and found wanting. If a proposed program has value and is well-conceived, the A-95 process will only provide added support. Only those with something to hide could object to an open, honest review of their proposal.

I will be happy to discuss any aspect of the A-95 process with you and can relate many examples of the benefits we have seen in Central New York. In closing, let me urge that both OMB and the Task Force work to strengthen A-95, not dismantle this important tool for expression of grassroots views.

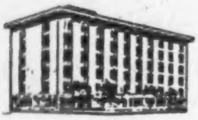
Sincerely yours,

LS Riford Jr.

L. S. RIFORD, JR.

LSR/cy

cc: Harold Steinberg, Associate Director of Management, OMB, Washingto
    Richard S. Williamson, Asst. to the President for Intergovernmental Affairs



CAYUGA COUNTY OFFICE BUILDING • AUBURN, NEW YORK 13021

FRANCIS P. BENTON
LEGISLATOR, DISTRICT TWO
R. D. 1
CATO, NEW YORK 13033

December 15, 1981

Edwin L. Harper, Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, D. C. 20503

Dear Mr. Harper:

As a Legislator from Cayuga County, New York, and one who has been involved in a number of programs partially supported by federal funds, I offer my opinions on OMB Circular A-95 now under review by your office and the Presidential Task Force on Regulatory Relief.

As I understand it, there is some feeling, at least on the part of the Task Force, that A-95 is a costly and burdensome constraint on local and state governments and private businesses and an example of bureaucratic excess. For the record, let me state that we in Central New York have not found that to be the case at all.

I am sure that there is a general feeling in Washington that local governments attempt to get any federal funds they can, whether or not a program is needed. In the Central New York area, we use the A-95 process to curb this sort of abuse. As an example, in 1980 an alcoholism counseling and referral agency which covers five Upstate New York counties (including Cayuga) applied for a $136,000 grant from the Department of Health, Education and Welfare to establish an alcoholism detection and treatment program for employees of the tourist industry. After our regional A-95 Clearinghouse conducted its review in cooperation with the Central New York Health Systems Agency, it was generally concluded that, because the program's concept had never been tested, the scope and funding level of the program should be reduced and that its feasibility should be tested in one county. Further, it was recommended that Cayuga County not be included in the project since we felt that we had sufficient local resources to cope with the problem of alcoholism.

I could cite many other examples from my own area where the A-95 process has resulted in cost savings. Rather than go into more detailed examples, let me just conclude by saying that A-95 works for us and I would support any efforts to strengthen the process. I would not in any way be in favor of abandoning this important channel of communication between local, state, and federal governments and sincerely hope that your office and the Task Force reach the same conclusion.

Sincerely,

Francis P. Benton

Francis P. Benton,
Cayuga County Legislature, 2nd District

FPB:esm

Planning Board
of Cayuga County
County Office Building 160 Genesee Street Auburn, New York 13021
Phone: (315) 253-1276

January 26, 1982

Mr. Edwin L. Harper
Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Harper:

We are distressed to learn that consideration is being given to the elimination or weakening of the A95 Review Process. We are concerned about this for two reasons. One, the A95 Review Process provides a very efficient and valuable means for informing local governments of activities being proposed with the use of federal funds. Without the A95 Process, it is quite likely that many projects would get underway without the knowledge of county and local governments. This could lead to very serious overlaps and duplication of effort and also, it could lead to projects which would be contrary to the objectives of the local governments. Such duplication of effort could be quite costly, and we feel should be avoided at all costs.

Secondly, with efforts at the national level to return responsibilities and decision making to states and local governments, it is important that we have the tools to make it work. We cannot make adequate local program decisions if we do not know what is going on. Here in Central New York we have a very effective system for dealing with A95 projects. The Regional Clearing House informs the County Planning Agencies of all projects being proposed. This allows us to know what is occurring within the various local jurisdictions within our County and allows us to work with our County Government and with our local town and village governments in effectuating program changes where necessary. Without the A95 Review Process, it would be much more difficult for us to coordinate programs. Individual agencies applying for federal grants would have a free hand to operate in a vacuum and waste will be a much greater possibility.

We respectfully urge that the A95 Review Process be retained and if possible, strengthened.

Sincerely,

James S. Carr, AICP
Planning Director

JSC:ff

Francis J. Vuillemot
Chairman

Erwin H. Fineout
Vice Chairman

Catherine M. Nicandri
Secretary

James S. Carr, AICP
Director

COUNTY OF ONONDAGA

Office of the County Executive

ONONDAGA COUNTY CIVIC CENTER
SYRACUSE, N. Y. 13202
315-425-3516

JOHN H. MULROY
COUNTY EXECUTIVE

CHARLES H. MERRILL
ADMINISTRATOR-PHYSICAL SERVICES

JOHN U. MEIXELL
DEPUTY COUNTY EXECUTIVE

EDWARD KOCHIAN
ADMINISTRATOR-HUMAN SERVICES

January 6, 1982

Edwin L. Harper, Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Harper:

Office of Management and Budget -- Circular A-95

As County Executive, I wish to lend my voice to the many elected officials who, I am sure, are contacting your office in regard to the Presidential Task Force on Regulatory Relief's review of OMB Circular A-95. I have seen a copy of the brief comments made on the first 30 regulations under consideration by the Task Force in its endeavors to eliminate administrative burdens and federal red tape, and to reposition government roles so that they are again placed in their proper perspectives, and I am in total agreement with the motives of the Task Force. I do not, however, agree with the initial judgement that A-95 is an example of "bureaucratic excesses", as so stated in the initial comments of the Task Force.

I believe it is important to remember that A-95 was originally created as a tool for local governments to express their views on the need for publicly funded projects in their locality; to see to it that such projects are not duplicated by any other public or private program; and, most importantly, to ensure that the projects are cost-effective and can maintain strict cost controls.

I can also certainly agree that almost any regulation can be improved -- Circular A-95 being no exception. As an example, despite a total lack of local support and vigorous opposition by the regional clearinghouse, local elected officials and others involved in criminal justice activities in Central New York, the Office of the Special Prosecutor in Onondaga County (appointed by Governor Carey), was funded by the Law Enforcement Assistance Administration for four years at a cost to our taxpayers of over $2 million. To bring a halt to this type of abuse of public funds, I advocate strengthening and streamlining the A-95 process in accordance with the recommendations of the General Accounting Office, specifically:

- "disciplining" federal agencies to comply with the notification and review process by suspending awards of funds when local comments are disregarded, or when awards are made prior to review;

- developing program-specific guidelines which clearly outline the applicant's responsibility, the funding agency's responsibility, and the clearinghouse's responsibility in the review process;

- instructing federal agencies not to process applications until the review process is completed; and

- setting up a system of more aggressive compliance monitoring within the Office of Management and Budget.

As you will note, these proposed changes are calculated to ensure that local voices are heard in Washington. This approach certainly supports the President's review and reinforces initiatives for local control.

Furthermore, as the new Administration continues to consolidate many federal programs into a block grant system, A-95 review will become an even more important tool. In New York State, and, perhaps many other states as well, the state clearinghouse, I feel, is not, and never will be able to be in a position to seek out the opinion of local government. I and our area-wide clearinghouse deal strictly at the local level and are well positioned to convey local feeling on specific funding proposals. If funding decisions are truly to be shifted to the local level through a block grant system, A-95 must remain a keystone for conveying local opinion.

In these times of transition, I feel that it is imperative to maintain effective lines of communication among federal, state and local governments. I urge that the Presidential Task Force and the Office of Management and Budget join with us in support of the A-95 Review Process as a means of making this transition as smooth as possible.

Sincerely,

JOHN H. MULROY
Onondaga County Executive

JHM:mg

cc: ✓Mr. Harold Steinberg
Associate Director of Management
Office of Management & Budget
Mr. Richard S. Williamson
Assistant to the President
for Intergovernmental Affairs

CENTRAL NEW YORK REGIONAL PLANNING AND DEVELOPMENT BOARD
700 E. Water St. Syracuse, New York 13210
315-422-8276
William F. Southern, Jr., Chairman
Gary G. Hayes, Executive Director

12 November 1981

The Honorable George C. Wortley
House of Representatives, 32nd District
508 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Wortley:

On behalf of the members of the Central New York Regional Planning and Development Board who represent our constituent local governments in the Counties of Cayuga, Onondaga, Oswego, and Madison, I call to your attention a very important issue under consideration by the Presidential Task Force on Regulatory Relief. I am referring to OMB Circular A-95, which is one of the regulatory requirements that has been targeted for intensive review by that Task Force in the weeks to come.

Our Board member, Assemblyman Steve Riford, has been kind enough to forward us a copy of the comments made on the first 30 regulations under consideration by that Task Force in its endeavors to eliminate administrative burdens and federal red tape, and to reposition government roles so that they are again placed in their proper perspectives. For this we laud the Task Force and can only foresee a positive impact on local governments in most instances. However, as we discussed with Mr. Riford at our most recent Board meeting, we are very much surprised that the Task Force considers A-95 review to be a costly and burdensome federal constraint on local and state governments and private businesses.

We believe it is important to remember that A-95 was originally created as a tool for local governments to express their views on the need for publicly funded projects in their locality; to see to it that such projects are not duplicated by any other public or private program; and, most importantly, to ensure that the projects are cost-effective and can maintain strict cost controls.

As the A-95 Clearinghouse for Central New York, we at the CNY Regional Planning Board have always taken this review as a serious responsibility. In this capacity, we watch for potential cost savings, for signs of duplication of effort, and for unnecessarily costly ways of achieving a goal. It is through the A-95 process that local government is heard and is the only vehicle in existence for cost control based on local perceptions of need.

We can certainly agree that almost any regulation can be improved -- Circular A-95 being no exception. As an example, despite a total lack of local support and vigorous opposition by the Board and others involved in criminal justice activities in Central New York, the Office of the Special Prosecutor in Onondaga County, appointed by our present Governor, was funded by the Law Enforcement Assistance Administration for four years at a cost to the taxpayers of over $2 million. To bring a halt to this type of abuse of public funds, regional clearinghouses have worked closely with OMB for two years to strengthen and streamline the A-95 process. As a result of this effort, the following changes in the process have been proposed by OMB, acting on recommendations of the General Accounting Office, and supported by the clearinghouses:

1. "Disciplining" federal agencies to comply with the notification and review process by suspending award of funds when local comments are disregarded, or when awards are made prior to review.
2. Developing program-specific guidelines which clearly outline the applicant's responsibility, the funding agency's responsibility, and the clearinghouse's responsibility in the review process.
3. Instructing federal agencies not to process applications until the review process is completed.
4. Setting up a system of more aggressive compliance monitoring within the Office of Management and Budget.

As you will note, these proposed changes are calculated to ensure that local voices are heard in Washington. This approach certainly supports the President's views on the nature of federalism and reinforces initiatives for local control. We do not, therefore, understand the Task Force's contention that A-95 review has become only another example of "bureaucratic excesses".

Furthermore, as we move from a categorical approach to a block grant system, A-95 review will become an even more important tool. In New York State, and, perhaps many other states as well, the State Clearinghouse is minimally staffed and will never be in a position to seek out the opinion of local government. We and other areawide clearinghouses deal at the grass roots level and are well positioned to convey local feeling on specific funding proposals. If funding decisions are truly to be shifted to the local level through a block grant system, A-95 must remain a keystone for conveying local opinion.

So that we may be most helpful in assisting you in documenting the merit of the A-95 Review process, we are preparing descriptions of selected projects which the CNY Regional Planning and Development Board has reviewed over the past several years which demonstrate our position. In the meantime, we would like to describe one instance of the A-95 process at work in your District. In June 1978, the CNYRPDB reviewed the pre-application for a Small Cities grant for the Village of DeRuyter in the amount of $211,150. During the course of our review, the following information came to light:

- The proposed budget included $12,600 for Senior Citizen Planning and Development. This amount was to be used by the consultants who developed the pre-application to conduct a study on the feasibility of constructing 20-26 units of housing for senior citizens using a FmHA loan. From past experience, we had found that such a study usually required a minimum amount of time and effort and, in many communities, was undertaken by volunteers, including senior citizens themselves, as opposed to consultants.
- The proposed budget also included $16,000 for administration of the program and an additional $8,000 in other consultant fees.

It was our opinion that the budget items had been highly inflated, draining away badly needed program money and channeling it to the consultant. We recommended in our review letter that these figures be revised downward substantially to be more in line with services to be performed. Rather than accept this recommendation, the consultant chose to present a justification for these costs and the Department of Housing and Urban Development rejected the pre-application. In 1980, the Village submitted another pre-application which did not include these excessive budget items. The RPDB endorsed this funding request and the grant was approved.

We would like to meet with you and, if possible, with representatives of the Presidential Task Force to discuss A-95 Review in greater detail. In these times of transition, we feel that it is imperative to maintain effective lines of communication among federal, state, and local government, and we would welcome the opportunity to discuss with you personally ways in which A-95 can further this objective. If such a meeting can be arranged, we believe we can help demonstrate to the Task Force's satisfaction the benefits of maintaining and strengthening this important local review process.

Sincerely,

William F. Southern Jr.

WILLIAM F. SOUTHERN, JR.
Chairman

WFS:jeh
Enclosures

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
RALEIGH 27611

JAMES B. HUNT, JR.
GOVERNOR

November 17, 1981

Dear Mr. Stockman:

It is our understanding that OMB Circular A-95 is currently being reviewed and that there is at least one proposal before you to terminate this program. I am writing to express our concern over this apparent contradiction to the Administration's policy to strengthen the role of the states in the federal system.

Circular A-95 is a very useful tool to advise federal agencies as to the consistency of their proposed actions with state laws, policies and programs. With the provision of federal assistance directly to local governments, organizations and individuals it is essential that the A-95 process not be terminated.

The A-95 review process has allowed state agencies the opportunity to review and comment on projects at an early stage thereby often assisting applicants by providing necessary information regarding state regulatory requirements. This has made the state permitting process quicker and more responsive.

The early review process also has identified numerous potential problems on projects before they become major obstacles, and has saved applicants thousands of dollars.

While I do oppose the elimination of Circular A-95, I do support and encourage evaluation of the Circular to identify improvements that can make the process more effective.

I appreciate your consideration.

My warmest personal regards.

Sincerely,

Mr. David A. Stockman, Director
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS
215 N. DAWSON ST. · P. O. BOX 1488 · RALEIGH, NORTH CAROLINA 27602 · TELEPHONE 919/832-2893

September 30, 1981

Mr. David Stockman, Director
Office of Management & Budget
Old Executive Office Building
17th Street & Pennslyvania Ave., N. W.
Washington, DC 20503

Dear Mr. Stockman:

On behalf of the North Carolina Association of County Commissioners I would like to express this organization's strong support for the continuation of the A-95 Review Process.

We understand that your office is reviewing the effectiveness of this federal program and we urge you to give careful consideration to its benefits. The A-95 process encourages the coordination of federal funds and minimizes duplication of effort, thereby encouraging greater cost efficiency in a time of economic stress. The Notification of Intent to Apply for Federal Funds is a valuable source of advance notice for county officials to become aware that federal grant requests are being filed for programs in their jurisdiction, allowing them to assess the impacts of the projects and coordinate other efforts for similar purposes.

Again, I urge your serious consideration of our concerns. County commissioners in North Carolina value the A-95 Review Process, and consider it an effective tool for our policy makers. Thank you for allowing us the opportunity to provide these comments.

Sincerely,

Grover C. Lancaster Jr.

Grover C. Lancaster, Jr.
President

GCL/rje

NC LM
NORTH CAROLINA LEAGUE OF MUNICIPALITIES
LOCAL GOVERNMENT CENTER / W. LANE AND N. DAWSON STREETS
P.O. BOX 3069 / RALEIGH, NORTH CAROLINA 27602 / (919) 834-1311

September 28, 1981

Mr. David Stockman, Director
Office of Management and Budget
Old Executive Office Building
17th Street and Pennsylvania Ave., N.W.
Washington, D.C. 20503

Dear Mr. Stockman:

On behalf of 444 member cities and towns in North Carolina, I wish to express the strong support of the North Carolina League of Municipalities for the continuation of the OMB Circular A-95 Review Process. The Board of Directors of the North Carolina League of Municipalities met on September 23, 1981 and voted unanimously to endorse continuation of this review process. This action was taken at the request of the Joint Regional Forum, an organization of city and county elected officials representing regional organizations. We understand that your office is reviewing the effectiveness of this federal program and we urge you to give careful consideration to its benefits.

The A-95 Process encourages coordination, reduces duplication of efforts, and thereby saves money. Our member cities and towns regard the Notifications of Intent to Apply for Federal Funds as a valuable means of advance notice of proposed activities. This is often the first time our municipal officials are aware that a federal grant request is being filed within their jurisdiction. Advance notice of these proposed activities has obviously allowed local governments more time to assess the anticipated impacts of projects and to provide meaningful comments for improvements to those projects through the A-95 Review Process.

Again, I urge your careful consideration of the A-95 Review Process and your continuing efforts to make the Process a more effective tool of local government policy makers. Thank you for the opportunity to provide these comments to you.

Sincerely,

Beth D. Finch

Mayor Beth D. Finch
President

BDF/bpw

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William G. Stamey, Town Manager, Canton

LAND-OF-SKY REGIONAL COUNCIL
POST OFFICE BOX 2175 • ASHEVILLE, NORTH CAROLINA 28802
25 HERITAGE DRIVE • TELEPHONE (704) 254-8131

April 29, 1982

Senator David Durenberger
Senate Intergovernmental Relations Subcommittee
Room 507, Carroll Arms Building
Washington, DC 20501

Dear Senator Durenberger:

It is our understanding that the record of testimony submitted to your subcommittee's hearing of April 26 on proposed changes to the review and comment system now implemented by OMB Circular A-95 will remain open for an additional thirty days. Please, therefore, accept the enclosed letter from Chairman Campbell of the Land-of-Sky Regional Council.

Please also allow us to utilize this opportunity to appeal to your judgment on this vital issue. Our Council's very strongly held opinions concerning the review of proposed expenditures of federal grant and loan funds are stated in clear and certain terms in the letters to both Mr. Williamson and Mr. Stockman.

We trust you will give our contentions your fullest consideration. Thank you for doing so and for accepting our written testimony.

Yours truly,

Robert E. Shepherd
Executive Director

ds
Enclosure

SERVING REGION B: BUNCOMBE, HENDERSON, MADISON & TRANSYLVANIA COUNTIES

LAND-OF-SKY REGIONAL COUNCIL
POST OFFICE BOX 2175 • ASHEVILLE, NORTH CAROLINA 28802
25 HERITAGE DRIVE • TELEPHONE (704) 254-8131

April 28, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
The White House
Washington, DC 20503

Dear Mr. Williamson:

On behalf of the seventeen member local governments of the Land-of-Sky Regional Councl, I wish to convey our very strong opinions concerning recently proposed alterations to the review and comment system which currently is implemented by OMB Circular A-95. As a prelude, let me reference the attached copy of our letter of August 26, 1981, to Mr. David Stockman in which our contention of the need to continue the A-95 Review process is expressed.

I have several key points which must be submitted for your consideration. First, the process as it currently functions provides "opportunities for consultation by elected government officials of state and local governments that will be affected by planned federal actions," the first point made under the concept of supporting federalism. Related to that same concept is the notion of "discouraging the reauthorization or creation of federally sponsored special purpose planning organizations". This language should be clarified unequivocally to exclude regional councils and other similar organizations.

Next, it is essential that any modification to the review and comment system be in the form of an amended circular, not an executive order, thereby enabling a substantial review period to exist. Certainly, substantive alterations to a process which is predicated and structured upon a mechanism for review by officials of potentially affected areas should themselves by reviewed. Without some method to solicit local, regional, and state input, an apparent circumvention of the entire concept would exist.

SERVING REGION B: BUNCOMBE, HENDERSON, MADISON & TRANSYLVANIA COUNTIES

Another very critical issue to address concerns the necessity for specific guidelines to be developed for adherence by federal funding agencies. It is essential that regulations be in place to ensure compliance by both those agencies and applicants for funding assistance. Without some stringent mechanisms for enforcement, the review process will not be a worthwhile endeavor.

A final point to consider is the concept of local option. Although the A-95 process appears to be effective in and supported by each of the several levels of government in North Carolina, including the Governor, a provision should exist whereby local governments may retain utilization of and involvement in the review process in those states which elect not to continue the operation of such a process.

Please give these comments your fullest consideration. I strongly believe that all of them are valid and meaningful. If the points made herein are not incorporated into the proposed modifications of the review and comment system, a very effective process almost certainly will be rendered less meaningful.

Yours truly,

Charles H. Campbell
Chairman

ds
Attachment
cc: Vice President Bush
Governor James B. Hunt, Jr.
Senator Durenberger
Senator Jesse Helms
Senator John East
Representative Bill Hendon
Ron Aycock
Leigh Wilson
Billy Horne
Chris Baggett

CHAIRMAN: PAT LOCKE
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TREASURER: DUKE PARKER

CENTRALINA COUNCIL OF GOVERNMENTS
POST OFFICE BOX 35008
CHARLOTTE, N.C. 28235
ONE CHARLOTTETOWN CENTER
1300 BAXTER ST. 704/372-2416

August 19, 1981

Mr. Harold Sternberg
Executive Office of the President
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Sternberg:

It is my understanding that you will soon be making recommendations to David Stockman on the future of the A95 Review Process.

That the A95 Process has helped reduce duplicate funding and funding of poorly designed projects and programs cannot be disputed. You probably have a desk full of examples of how the process has achieved this goal. The problem is to put a price tag on the savings generated by the process. Is it cost effective? I truthfully can not say whether it is or not.

I do think, however, that there are other important aspects of the process which you should consider and which go beyond the cost effectiveness.

You should carefully consider the informational aspects of the Process. Our local governing units like to know what is going on within and around their jurisdictions. The A95 Process is the only system currently available which gives them some level of guarantee that they will at least hear about proposed state and federal involvement in projects in their localities. You either have a system which provides this kind of information or you don't provide it. Any other system would still require paper work and persons to administer the Process. I think it is important that the federal government provides this kind of information and the A95 Process is the best system through which this can be done.

There is also the intergovernmental coordination aspect of the A95 Process. There are state and federal projects which impact on more than one jurisdiction. A95 is the only process available that has the capacity to bring the impacted parties together to discuss and mutually agree on aspects of projects for which there is some disagreement or misunderstanding. If A95 is eliminated how will these differences be resolved? The biggest question of importance to our local elected officials is will they be resolved?

RRUS COUNTY concord harrisburg mount pleasant GASTON COUNTY belmont bessemer city cherryville cramerton gastonia high shoals lowell mcadenville mount holly ranlo stanley IREDELL COUNTY harmony mooresville statesville troutman LINCOLN COUNTY lincolnton MECKLENBURG COUNTY charlotte cornelius huntersville matthews pineville ROWAN COUNTY china grove faith granite quarry landis salisbury spencer STANLY COUNTY albemarle locust new london norwood oakboro richfield stanfield UNION COUNTY indian trail marshville monroe stallings waxhaw wingate

11.A 8/25

Our Council is not really worried about the future financing of the Process. The system is important enough to our local governments that they will fund the Process without any federal assistance. What is important, however, is the official status of A95. It must be a mandatory process for applicants and it must be honored by various federal agencies. If the federal agencies feel they have a license to ignore the Process then it is doomed to failure. If the Process is offered as an option to each area currently served by a clearinghouse, then the federal agencies will treat their response to the Process as an option also.

In developing your recommendations, I hope you will consider the comments I have made. A95 is an important Process in our region and to me the key questions are how can we operate the system more effeciently and yet maintain the worthiness of the Process? These are the questions which I hope you will be addressing with your recommendations.

Sincerely,

Gary Wilson

Gary Wilson
Director of the Physical Planning Section
Centralina Council of Governments

GW:pwb

cc: Chrys Baggett

REGION "M" COUNCIL OF GOVERNMENTS
130 GILLESPIE STREET P. O. BOX 1510 PHONE 323-4191
FAYETTEVILLE, NORTH CAROLINA 28302

September 4, 1981

Mr. David Stockman, Director
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Re: A-95 Clearinghouse Review Process

Dear Mr. Stockman:

The Board of Directors of Region "M" Council of Governments, at its regular meeting on August 27, 1981, unanimously voted to express to you its support of the A-95 Clearinghouse Review Process.

The notification process, in itself, was considered valuable, in that it kept local officials better informed as to how our taxes are being spent and how specific programs impacted upon their jurisdiction.

Even though some of the federal funding agencies ignored local recommendations concerning specific projects, duplication and unwise spending were prevented on some projects as a result of the A-95 Review Process.

The present system, at the federal, state and local levels, should be maintained. OMB should provide funds to continue this process at the state and local (Regional Clearinghouse) levels.

Cordially yours,

John H. Sutton

John H. Sutton
Executive Director

JHS/bm

cc: Chrys Baggett, State Clearinghouse Coordinator

"PROGRESS THROUGH INTERGOVERNMENTAL COOPERATION"

KERR - TAR REGIONAL COUNCIL OF GOVERNMENTS
P.O. Box 709 238 ORANGE STREET HENDERSON, N.C. 27536
PHONE (919) 492-8561
J.D. Everett, Executive Director

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Warrenton
Youngsville

August 21, 1981

Mr. David Stockman
Director, Office of Management and Budget
Old Executive Office Building
17th and Pennsylvania Avenue
Washington, DC 20503

Dear Mr. Stockman:

It is my understanding that you are giving consideration to the elimination of the A-95 Review Process in your regulatory reform program. On behalf of the five counties and fifteen municipalities in our regional council of local governments, and as an elected county commissioner, I would respectfully request that you keep the A-95 program intact and if possible strengthen it at the federal level.

This is one federal regulation, if managed properly, that can have a positive impact on federal duplication and waste, and under its structure, you have the most pertinent input on any project from the local governing bodies that have firsthand knowledge of all proposed expenditures and what impact they would have at the local level. Our local officials wish to retain this regulation and are willing to provide the service without additional cost to the federal or state government because they are keenly aware of its value to them.

We have numerous projects documented that have been altered, improved, or rejected as a result of this process and we want to assist you in improving the efficiency of federal spending as it relates to local governments. The A-95 process is a valuable tool for local control of development and programmatic projects of the state and federal government, and it should be retained and strengthened to make federal agencies more responsive to constructive negative comments from the local level.

Thank you for your consideration of our request.

Sincerely,

J. Timothy Pegram

J. Timothy Pegram
Chairman, Kerr-Tar Regional
Council of Governments

JTP:sp

Western Piedmont Council of Governments
30 Third Street, N.W., Hickory, N.C. 28601
(704)322-9191

R. DOUGLAS TAYLOR
Executive Director

ANDREW M. KISTLER II
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NEWTON
RHODHISS
[illegible]RFORD COLLEGE
[illegible]RSVILLE
VALDESE

August 28, 1981

Mr. David Stockman
Office of Management and Budget
Executive Office of the President
Washington, DC 20503

Dear Mr. Stockman:

The Executive Committee of the Western Piedmont Council of Governments (WPCOG) was recently informed that the A-95 process (OMB Circular A-95) for reviewing federal aid projects is currently under consideration to be revised or even eliminated. On behalf of the twenty-three (23) locally elected officials that serve on the Board of Directors of WPCOG, we would urge that you would strongly consider not doing anything to the A-95 process as it currently operates.

For the past five years the A-95 process has been a top priority program for the COG and its staff. It is a valuable tool for local governments to receive information regarding potential federally aided projects in the initial planning stages. This not only provides information to the local officials, but also enables them to comment in the early stages of the project to insure that there are no conflicts or duplication with other projects in the area and that some strategy can be involved in planning for the development of an area. The A-95 process is especially helpful to cities and counties in the local planning process to receive early notification of potential housing projects and other programs to be funded through HUD.

We are especially concerned that HUD is requesting that all of the HUD projects be exempted from the process. Local governments are charged with providing utilities, transportation access, schools, etc. for their citizens, and in many instances only through the A-95 process are they informed of such housing projects before the final stages of the project are reached.

To insure that our local governments are kept informed of all federal aid projects and to insure that we have a voice in the kinds of projects that are funded in our areas of jurisdiction, we strongly urge the continuance of the A-95 process as it now stands.

Sincerely,

Andrew M. Kistler II

Andrew M. Kistler, II
Chairman, WPCOG

/psr

We urge you to recommend the continuation of A-95 to Mr. Stockman. We especially urge the continuation of A-95 Review on all local impact projects of a physical development nature; housing, water and sewer, commercial and industrial development, community development and Federal construction projects.

Sincerely,

N. Worth Chesson

N. Worth Chesson
Executive Director

NWC/jt

Region L Council of Governments
P. O. DRAWER 2748
ROCKY MOUNT, NORTH CAROLINA 27801
TELEPHONE (919) 446-0411

August 21, 1981

Mr. Harold Steinberg
Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Steinberg:

I am writing in regards to the proposed elimination of the A-95 review process. I am not in favor of A-95 review as it is currently being administered. Too often valid negative comments are made on a project by persons who are knowledgeable in their fields and these comments are ignored. As a result, projects are approved when they should not be.

So much for the negative feelings I have for A-95. I believe that the A-95 review, properly enforced, is a valuable tool for input by community leaders and the public. If proper consideration is given to local comments on proposed projects, then A-95 can function as it was originally intended to do.

I also believe that the A-95 review process is valuable in that it serves to adequately inform local officials about projects which concern their area. This was demonstrated this week when the Mayor of Spring Hope, North Carolina brought his review back to the office and told us that he did not really understand how the proposed project (Spring Hope Apartments, Project Number NC19-0026-014, N. C. State Clearinghouse Number 82-0128) would affect his community until he received his review form and information on the project.

In closing, I would like to state that I am in favor of A-95 if it can be changed so that local comments will be seriously considered before a project is funded.

Sincerely,

James R. Smith

James R. Smith
Assistant Director

JRS/mf

cc: Tom Elkins
George Monaghan
Chris Baggett

Research, Planning and Development through Intergovernmental Cooperation

Pee Dee Council of Governments

227 North Main Street, P. O. Box 728 • Troy, North Carolina 27371 • Phone: 919 - 576 - 6261

August 21, 1981

Mr. Harold Sternberg
Office of Management and Budget
Executive Office of the President
Washington,DC 20503

Dear Mr. Sternberg:

Re: OMB/A-95

With all due respect to Vice President Bush and HUD Secretary Pierce, A-95 is a very desirable federal function which has been, and continues to be, the best educational tool for the edification of state and local government officials about the where, what, when, how and why of certain federal domestic expenditures. This attainment alone has resulted in improved local planning before implementation and has saved millions of federal dollars by avoiding duplications of projects and services.

With the exception of a very limited percentage of HUD 701 Planning Funds (not to be available beyond FY 1982) Areawide A-95 is a locally sponsored function, desirable to the local governments comprising Areawide Planning and Development organizations. The early warning nature of A-95 provides the only opportunity most local governments have to review and comment on proposed federal action.

State Clearinghouses provide the essential middle links in the Federal, State and Local A-95 Review process. The local (areawide) concern is that federal action to eliminate A-95 will eliminate the state clearinghouse and cause areawides to close federal project reviews for the lack of ability to establish meaningful communications channels with the variety of federal grantors, agencies and lenders.

TRIANGLE J COUNCIL OF GOVERNMENTS
100 PARK DRIVE P.O. BOX 12276 RESEARCH TRIANGLE PARK, N.C. 27709 (919) 549-0551

September 16, 1981

Harold Sternburg
Office of Management and Budget
Office of the President
Washington, DC 20503

Dear Mr. Sternburg:

We would like to express our views regarding the A-95 process (Notification and Review of Federal loans and grants to State and local agecies) in the light of current considerations to change or eliminate it.

We are a "regional clearinghouse" for such reviews and have written several thousand such reviews since the process was begun. Our Board of Delegates, comprised totally of elected officials, has taken this process very seriously.

To summarize briefly, our feeling is that the notification part of the process works well and is worth keeping. It is extremely valuable for local governments and regional planning councils to know what projects are being assisted with Federal funds.

On the other hand, we find that the reviews which we write on particular projects, particularly negative reviews, have little or no impact. Therefore, unless some system is developed (such as the new one proposed by Tom Snyder of OMB) to allow such reviews to truly have some meaning, we recommend that the review and comment phase be eliminated.

We would add one final comment. We have developed a new approach to such reviews which we think has some merit. Instead of reviewing individual projects we propose to review how well a particular Federal program works in this region. Such reviews would be similar in some ways to those conducted by the General Accounting Office, except that they would provide the Congress and the Executive Department, especially OMB, with information about program effectiveness by local elected officials.

Thank you for this opportunity to comment. We hope that you will keep in direct contact with regional councils during your deliberations in the days ahead.

Sincerely yours,

Robert B. Heater,
Chairman

cc: Chrys Baggett
George Monaghan

APEX • BENSON • BROADWAY • CARRBORO • CARY • CHAPEL HILL
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AUSTINTOWN TOWNSHIP
MAHONING COUNTY, OHIO
★
82 OHLTOWN ROAD
AUSTINTOWN, OHIO 44515
799-3241

TRUSTEES
HAEL ANTONOFF
hispering Pine Drive
nfield, Ohio 44406

GEORGE D. BEELEN
322 Benton Avenue
Austintown, Ohio 44515

E. RAY DAVIS
1745 Lancaster Drive
Youngstown, Ohio 44511

CLERK
WILLIAM B. BOYER
305 South DeHoff Drive
Austintown, Ohio 44515

December 4, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Stockman:

This letter is to express our support for the continuation and strengthening of the A-95 Review Process. A-95 has proved to be a very valuable informational tool to us and our constituents. Also, A-95 has allowed us to support beneficial projects, and to state our opposition to those projects which were not beneficial and/or cost effective. A-95 has also allowed the citizens of our township to have input into the federal grant application process. Through A-95, a group of citizens pointed out a number of errors in a housing project, and were instrumental in seeing that HUD not fund the project until these errors were corrected. Without A-95 this project would have been funded and under construction. The A-95 Review Process should also be a part of the block grant application process to allow local government and the citizens to have input into these programs in the most cost-efficient method possible.

Thank you for your time and support.

Very truly yours,

AUSTINTOWN TOWNSHIP TRUSTEES

Michael Antonoff
MICHAEL ANTONOFF

E. Ray Davis
E. RAY DAVIS

George D. Beelen
GEORGE D. BEELEN

ATT:dh
CC: Edward Harper, Deputy Director, Office of Management & Budget
James Kelly, Director, Office of Intergovernmental Relations
Representative Lyle Williams
Senator John Glenn
Senator Howard Metzenbaum

MONROE
U.S. Grant Birthplace
Home of our 18th president

Monroe Township
Clermont County
2772 St. Rt. 222
Bethel, Ohio 45106

December 12, 1981

Mr. David Stockman, Director
U.S. Office of Mqnagement and
Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Stockman.

It has come to our attention that OMB is nearing a decision on the A-95 review process. We would like to register our support of the process as a local community. The A-95 review preocess has proven to b a valuable tool for our local government. It has enabled us to monitor federal programs in the community as an effective means of preventing duplication, ans has been especially useful in coordinating programs and activities at the local level, as well as at the state and federal levels. The process has encouraged citizen participation and has been an effective way to obtain citizen input into local activities.

With the consolidation of the federal grant programs and the current budget tightening, this A-95 coordination is intrinsic to the transition. We would urge tha OMB continue to enforce the regulations of OMB Circular A-95 and encourage the States to do so as well.

Sincerely,
Monroe Township Trustee
Monroe Township Trustees
Jerry W. Edwards, chairman
John E. White
Gary L. Burns

MTT/bb
cc:on file

Brunswick Hills Township
MEDINA COUNTY
P.O. BOX 24 – BRUNSWICK, OHIO 44212 – TEL. 216-225-8300

TRUSTEES
FRED McCLURE
HAL ROHLIK
ART JORESKI

CLERK
LUCILLE GRIESHEIMER

December 8, 1981

Mr. David A. Stockman, Director
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

As a local elected official and a board member of the Northeast Ohio Areawide Coordinating Agency, I would like to express my concerns about any changes that might occur in the A-95 review process as outlined in Circular A-95.

As a member of the Northeast Ohio Areawide Coordinating Agency, I represent the Cities, Villages and Townships of Medina County, Ohio. Many of the Villages and Townships are small in size and population. If the Areawide Planning Agencies are eliminated from the A-95 review process, I'm sure smaller communities like mine, and others in my county, would also be eliminated from the process and I, and many citizens in my county would not have any voice in proposed Federal funded projects in our area.

Under the current process, State and local governments are afforded the opportunity to review and comment on proposed projects relative to their own policies, plans, objectives and current programs. It provides a framework which encourages coordination of all levels of government and a forum for conflicts and concerns to be addressed before formal applications are submitted for funding. It also provides that direct Federal development and Federal assisted projects are better coordinated through efficient, comprehensive planning, eliminating duplication of effort and Federal expenditures, thus realizing a savings of Federal dollars while providing greater benefits to our citizens.

We now have a proven, successful A-95 process in place that provides for input from elected officials and citizens in our area. Any change would be a detriment to all.

Sincerely,

Art Joreski

Art Joreski, Trustee
Brunswick Hills Township

AJ:ce

City of Campbell
Office of the Mayor
MUNICIPAL BUILDING : 351 TENNEY AVENUE
CAMPBELL, OHIO 44405
PHONE (216) 755-1451

ROCCO F. MICO
MAYOR

MARY LESCHINSKY ZETTS
SECRETARY

December 7, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

This letter is to express our support for the continuation and strengthening of the A-95 Review Process. A-95 has proved to be a very valuable informational tool to us and our constituents. Also, A-95 has allowed us to support beneficial projects, and to state our opposition to those projects which were not beneficial an/or cost effective. A-95 has also allowed the citizens of our city to have input into the federal grant application process. Through A-95, a group of citizens pointed out a number of errors in a housing project in our county, and were instrumental in seeing that HUD not fund the project until these errors were corrected. Without A-95 this project would have been funded and under construction. The A-95 Review Process should also be a part of the block grant application process to allow local government and the citizens to have input into these programs in the most cost-efficient method possible.

Thank you for your time and support.

With all due respect,

Rocco F. Mico

Rocco F. Mico, Mayor
City of Campbell, Ohio

RFM:mkz

cc: Ed Harper, Deputy Director
Office of Management and Budget
Senator Howard Metzenbaum
Senator John Glenn
Rep. Lyle Williams
Jim Kelley, Director
Office and Intergovernmental Rel.

City of Cincinnati

OFFICE OF THE MAYOR

DAVID S. MANN
MAYOR

ROOM 150 CITY HALL
CINCINNATI, OHIO 45202
(513) 352-3250

December 4, 1981

Mr. David Stockman, Director
U.S. Office of Management and
Budget
Executive Office of the
President
Washington, D.C. 20503

Dear Mr. Stockman:

It has come to our attention that OMB is nearing a decision on the A-95 review process. We would like to register our support of the process as a local community. The A-95 review process has proven to be a valuable tool for our local government. It has enabled us to monitor federal programs in the community as an effective means of preventing duplication, and has been especially useful in coordinating programs and activities at the local level, as will as at the state and federal levels. The process has encouraged citizen participation and has been an effective way to obtain citizen input into local activities.

With the consolidation of the federal grant programs and the current budget tightening, this A-95 coordination is intrinsic to the transition. We would urge that OMB continue to enforce the regulations of OMB Circular A-95 and encourage the States to do so as well.

Very truly yours,

David S. Mann
Mayor

cc: Ed Harper, Deputy OMB Director
Jim Kelley, OMB, Director of the
Office of Intergovernmental Relations

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rpc
hamilton county regional planning commission

405 Temple Bar Building 138 East Court Street Cincinnati, Ohio 45202 (513) 632-8461

Frank F. Ferris II
Chairman
Roger F. Pfeil
Executive Director

December 10, 1981

Mr. David Stockman, Director
U.S. Office of Management and
Budget
Executive Office of the
President
Washington, D.C. 20503

Dear Mr. Stockman:

We are aware that OMB will soon be making a decision on the A-95 review process. We would like to go on record as supporting the continuation of the process. We believe the process is a highly effective means of avoiding duplication, and is especially useful in coordinating programs and activities at all levels of government.

With the consolidation of the federal grant programs and the current budget constraints, the A-95 process is intrinsic to the transition. We urge that OMB continue to enforce the regulations of OMB Circular A-95 and encourage the States to do so as well.

Sincerely,

Roger F. Pfeil

Roger F. Pfeil
Executive Director

RFP/seo

cc: Ed Harper, Deputy OMB Director
Jim Kelley, OMB, Director of the
Office of Intergovernmental Relations

City of Cleveland
GEORGE V. VOINOVICH, MAYOR

DEPARTMENT OF HUMAN RESOURCES
AND ECONOMIC DEVELOPMENT
EDWIN M. ROBINSON
DIRECTOR
THEODORE O. JACKSON
ASSISTANT DIRECTOR

BULKLEY BUILDING, 1501 EUCLID AVE
CLEVELAND, OHIO 44115
(216) 664-2400

December 2, 1981

Mr. David A. Stockman, Director
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Dear Director Stockman:

The purpose of this letter is to share with you my opposition to the proposed revisions and/or abolition of the current A-95 process.

As Director of the City of Cleveland's Department of Human Resources and as a member of the Board of the Northeast Ohio Areawide Coordinating Agency (NOACA is our local A-95 agency), I urge you to continue the A-95 review process in its present form. This review process offers me and my staff a most cost efficient method to eliminate unnecessary duplications of services and to improve our programs' cost effectiveness through development of linkages with other programs operating in the Cleveland Area Labor Market.

For the City of Cleveland's Department of Human Resources, a frequent applicant for federal assistance, these savings benefits far outweigh the small cost of my staff's time devoted to the A-95 process.

Very truly yours,

EMRobinson
Edwin M. Robinson, Director

EMR/mbn

cc: Ed Harper, Deputy Director OMB
J. Kelly, Director Intergovernmental Relations, OMB ✓
Sen. H. Metzenbaum
Sen. John Glenn
Cong. Mary Rose Oakar, Cong. Louis Stokes, Cong. Dennis Eckart, Cong. Ron Mottl

Village Of Columbiana
"BIGGEST LITTLE TOWN IN OHIO"

MUNICIPAL BUILDING
28 WEST FRIEND STREET, COLUMBIANA, OHIO 44408
Phone 216/482-2173

CHARLES R. DOTSON, *Mayor*
AL WARDINGLEY, *Village Manager*

December 10, 1981

Mr. Ed Harper, Deputy Director
Office of Management and Budget
Washington, D.C. 20503

Dear Sir;

I am writing to you to express my support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of the Village of Columbiana to be kept informed on the various grant applications that would impact our area but has also provided valuable input to the grant requests submitted by the Village. Also, I feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of government and the various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thank you for your time and support.

Very truly yours,

Albert E. Wardingley
Albert E. Wardingley
Village Manager
Columbiana, OHio

AEW/pa

Telephone 216-593-4357

Ohio's Sharpest Corner

The City of Conneaut

EDWARD J. GRISWOLD
MAYOR

GEORGE W. ADAMS
SAFETY-SERVICE DIRECTOR

City Hall Building
Conneaut, Ohio 44030

December 1, 1981

Mr. David Stockman, Director
Office of Managaement and Budget
Washington, D. C. - 20503

Dear Mr. Stockman:

I am writing you to express my support for the A-95 Review Process.

A-95 has not only allowed the officials and citizens of the City of Conneaut to be kept informed on the various grant applications that would impact our area, but has also provided valuable input to the grant requests submitted by the City. Also, I feel that it is imperative that local officials be kept informed on the block grants that the States receive and pass through to local units of government and the various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thanking you for your time and favorable consideration, I remain

Very truly yours,

THE CITY OF CONNEAUT

Edward J. Griswold
Mayor

EJG:mja

cc.
Edward Harper, Deputy Director
Office of Management and Budget

James Kelly, Director
Office of Intergovernmental Relations

Representative J. William Stanton
Senator John Glenn, Jr.
Senator Howard Metzenbaum

City of Euclid A CITY OF SUPERIOR SERVICES

Anthony J. Giunta, Mayor 585 East 222 Street / Euclid, Ohio 44123 / (216) 731-6000

November 30, 1981

Director David A. Stockman
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

The City of Euclid has been involved through the Northeast Ohio Areawide Coordinating Agency (NOACA) in the A-95 Review Process and, as Mayor, I have been supportive of A-95 and its benefit to regions.

As a local elected official, I am aware of the merits and strengths of this review process and strongly encourage its retention.

Very truly yours,

Anthony J. Giunta

Anthony J. Giunta, Mayor

AJG:fae

cc: Mr. Ed Harper
Mr. Jim Kelly
Congressman Dennis E. Eckart
State Senator J. Timothy McCormack
U.S. Senator Howard Metzenbaum
U.S. Senator John Glenn

JOSEPH J. MELFI
MAYOR
100 W. MAIN STREET, GIRARD, OHIO 44420
(216) 545-3879

NICHOLAS J. MELFI
Director of Public Services
THOMAS E. CARNEY
Law Director

Telephone
(216) 545-3306

December 4, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D. C. 20503

Re: A-95 Review Process

Dear Mr. Stockman:

I am writing to you to express my support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of the City of Girard to be kept informed on the various grant applications that would impact our area, but has also provided valuable input to the grant requests submitted by the City. Also, I feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of government and various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thank you for your time and support.

Sincerely,

Joseph J Melfi

Joseph J. Melfi
Mayor

CC:Senators: John Glenn
Howard Metzenbaum
Representative: Lyle Williams

Ed. Harper, Dep.Dir.,OMB
Jim Kelly, Dir., OIR-OMB

MUNICIPAL BUILDING · HIGH AND MONUMENT STREETS 45011

Hamilton
Ohio

December 14, 1981

Mr. David Stockman, Director
U. S. Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Stockman:

The City of Hamilton has been informed that the Office of Management and Budget is considering a decision on the future of the regional review process known as A-95. Our city has been a part of the Ohio-Kentucky-Indiana Regional Council of Governments since its formation and prior to that, a part of the OKI Regional Planning Authority. We have participated in the development of area-wide plans in water, sewer, transportation, housing, and other major elements affecting organized growth of the region.

In general, projects which have an area-wide or inter-jurisdictional implication are felt by the Hamilton City Planning Commission to need the coordinated review that the A-95 process provides. In the past, reviews have been required by what appears to be 90% of the federal programs. This, we feel, is too large a review process for many programs which are small in scope and are not clearly regional in effect.

However, the value of an A-95 regional review of the possible expenditure of federal funds is apparent. When transportation improvements have made each community dependent upon the actions of other jurisdictions, the A-95 regional review promotes coordination between otherwise competing jurisdictions to eliminate duplicate facilities. The duplication of costs by a municipal organization or a semi-private group such as hospitals should be reviewed and eliminated to reduce user costs or tax costs while at the same time filling the unmet need of the area. Some programs, such as the Community Development Block Grant Program, have been eliminated from regional A-95 review. These programs are usually neighborhood oriented and are seldom of such magnitude to have a regional impact. While the A-95 process does add slightly to the time for project review, unless there are outstanding problems, it is usually a very speedy review process. If there are problems, it is usually because the project is debatable and needs the airing that the A-95 process allows.

The Hamilton City Planning Commission therefore endorses the continuation of the A-95 review process for large inter-jurisdictional type facilities while eliminating the need for such review for facilities that are not significant in their regional impact.

Sincerely,

Walter B Blair

Walter B. Blair, Secretary
Hamilton City Planning Commission

WBB:ms
cc: Rep. Thomas N. Kindness

Warren County Regional Planning Commission

WARREN COUNTY ADMINISTRATION BUILDING
[illegible] EAST SILVER STREET LEBANON, OHIO 45036
TELEPHONE (513) 932-4040

ROBERT D. PRICE, EXECUTIVE DIRECTOR

December 1, 1981

Mr. David Stockman, Director
U.S. Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Stockman:

It has come to our attention that OMB is nearing a decision on the A-95 review process. We would like to register our support of the process. The A-95 review process has proven to be a valuable tool for Warren County, Ohio. It has enabled us to monitor federal programs as an effective means of preventing duplication, and has been especially useful in coordinating programs and activities at all levels of government. The process has encouraged citizen participation and has been an effective way to obtain citizen input into local activities.

With the consolidation of the federal grant programs and the current budget tightening, this A-95 coordination is intrinsic to the transition. We urge that OMB continue to enforce the regulations of OMB Circular A-95 and encourage the State of Ohio to do so as well.

Sincerely,

Robert D. Price

Robert D. Price, AICP
Executive Director

RDP:psm

cc Ed Harper, Deputy OMB Director
Jim Kelley, OMB, Director of the
Office of Intergovernmental Relations

VILLAGE OF LEETONIA

300 East Main Street
Leetonia, Ohio 44431

PATRICK B. ROSS
MAYOR

Phone (216) 427-6721

MARY TRENKELBACH
VILLAGE CLERK

29 November 1981

Jim Kelly, Director
Office of Intergovernmental Relations
Office of Management & Budget
Washington, D.C. 20503

Dear Mr. Kelly:

I am writing to you to express my support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of the Village of Leetonia to be kept informed on the various grant applications that would impact our area, but has also provided valuable input to the grant requests submitted by the Village. Also, I feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of the government and the various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thank you for your time and consideration on this matter.

Sincerely,

Patrick B. Ross
Mayor
Village of Leetonia

Lordstown Village
Office of the Mayor

Bud Muth
MAYOR

1455 SALT SPRINGS ROAD, S.W.
WARREN, OHIO 44481
PHONE 824-2045
824-2621

December 7, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

I am writing to you to express my support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of the Village of Lordstown to be kept informed on the various grant applications that would impact our area, but has also proviced valuable input to the grant requests submitted by the Village. Also, I feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of government and the various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thank you for your time and support.

Sincerely,

Burnell Muth

Burnell "Bud" Muth, Mayor
Lordstown Village

BM/djm

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Suite 410, St. Clair Building
216 Putnam Street
Marietta, Ohio 45750
Telephone (614) 374-9436

April 27, 1982

Mr. Richard Williamson
Assistant to the President for
Intergovernmental Affairs
Govt. Room 87 OEOB
The White House
Washington, D. C. 20500

Dear Mr. Williamson:

The following represents our district's response to the proposed policy to replace the A-95 review process as outlined in your correspondance with the National Association of Regional Councils. We hope these comments will be of some assistance in relaying local area concerns.

The A-95 process has served as a check on federal program expenditures to prevent duplication, unnecessary expenditures, and conflicting activities while providing for constructive suggestions from knowledgable entities "on the scene." The process has also served to increase awareness among governmental, planning and service entities of each other's programs. This awareness has led to increased informal and formal coordination. The proposed replacement policy would subvert the intent of A-95 in five ways.

1. The policy does not require the states to develop or respect an effective review process. This omission in effect means that there need be no meaningful review process at all.

2. Assuming a process is established, for the state to control the review process from inception to implementation effectively sets the state to watch the state on how it spends federal dollars. This seems to be a clear conflict of interest.

3. There is no independent provision to enforce consideration of review comments. This was an in-practice problem with A-95. The proposed policy makes this problem even greater.

4. The specific disqualification of existing special purpose planning organizations eliminates comment from the very entities in the best position to identify duplications, unnecessary expenditures and conflicting activities. These organizations contain the expertise, contacts and overview to make recommendations for assuring the success of a proposed project or program.

5. Special purpose planning organizations exist as consortiums of local governments to identify local priorities. To ignore these priorities in a review process is to ignore the most critical local needs and the local right to direct investment in its land, people and future.

"Serving Ohio's Great Southeast"
ATHENS · HOCKING · MEIGS · MONROE · MORGAN · NOBLE · PERRY · WASHINGTON COUNTIES

In summation, the proposed review policy appears to be eliminating the review process entirely instead of answering criticism of A-95: lack of meaningful enforcement. The proposal gives state government license to usurp local governmental powers to a broad range of areas. We need a stronger, not weaker, process.

We appreciate this opportunity to comment.

Sincerely,

BUCKEYE HILLS-HOCKING VALLEY
REGIONAL DEVELOPMENT DISTRICT

Susan W Isaac
Susan Isaac
Director of Planning

SI:cmw

cc: Mr. Richard Hartman, Executive Director, NARC

City of Niles, Ohio
34 West State Street
Niles, Ohio 44446

Phone
(216) 652-3415

Office of the Mayor
JOSEPH CICERO

December 4, 1981

Mr. David Stockman, Director
Office of Managment and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

I am writing to you to express my support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of the City of Niles to be kept informed on the various grant applications that would impact our area, but has also provided valuable input to the grant requests submitted by the City. Also, I feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of government and the various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thank you for your time and support.

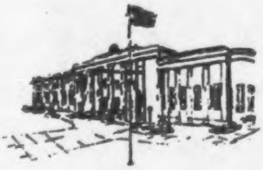
Sincerely yours,

Joseph J. Cicero

Mayor Joseph J. Cicero

JJC/bks

cc: Ed Harper, Director/Office of Management and Budget
Jim Kelly, Director/Office of Intergovernmental Rel. ✓
Rep. Lyle Williams
Senator John Glenn
Senator Howard Metzenbaum
File



Birthplace of William McKinley, 25th President of the United States

VILLAGE OF PEMBERVILLE
115 Main Street - P. O. Box 109
PEMBERVILLE, OHIO 43450
Phone - (419) 287-3832

November 24, 1981

Mr. David Stockman
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

I am writing to you regarding the retention of some form of the A-95 review so as to keep some order in the processing of federal, state and local programs.

As the Mayor of a small Village in Ohio, I have been able to participate in an areawide sense mainly because of the A-95 review. By being able to respond to the need for and the impact of a proposed program or grant, I was able to send some message to those responsible for it. The response at the time of proposed funding is what is critical to the application of funds—not the generalized and hypothetical legislative phase of the process.

We feel we have some management control of the system with the A-95 review, even though the bureaucracy does not always heed our advice. In fact, it is the opportunity afforded by placing a grant request on the table that *culls out* the boondoggles. We have found in our area that the high number of just plain silly and otherwise unjustifiable grants reduced dramatically when they came under the open, public scrutiny of elected officials in our area.

Moreover, the A-95 review process is one of learning about events and programs. We found out what other communities, as well as what the state, were doing; where they were getting the funds, and for what purpose. We could comment on the merit of the proposals and their probable impact on our community. And, we could stop or slow down for correction those projects which did not fit our real needs.

I know that millions and millions of dollars have been saved by our reviews' having caused projects which were unwarranted not to proceed, and by causing others to be modified to a more realistic focus.

The A-95 review should be strongly supported by OMB because it fits strongly into the management review system that is practiced by OMB in Washington. In fact, A-95 review could well be the local "eyes" in what you are trying to do for the country.

Sincerely,

Jay E Parker

Mayor Jay E. Parker
Village of Pemberville

cc: Senator John Glenn, Ohio
Mr. Ed Harper, Deputy Director, OMB
✓Mr. Jim Kelly, Director of the Office of Intergovernmental Relations, OMB

OFFICE OF THE MAYOR

CITY OF SALEM
SALEM CITY HALL 231 SOUTH BROADWAY
SALEM, OHIO 44460

Robert E. Sell
Mayor

Phone (216) 332-4241

December 2, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

Enclosed is a copy of a letter sent to me from the Eastgate Development and Transportation Agency asking for my support to continue their program.

I am a strong supporter of Regonomics, and I firmly believe this program is an expensive one. If the states can handle the Block Grant Programs more economically and efficiently, I believe as you do, this is the way it should be handled. Of course, as you probably know, the larger Cities have been the more successful in the past Block Grant Program, where the smaller cities have received next to nothing. I can not in good conscience support the A-95 Review Process if you have a more valid way for the Block Grant Program to be administered.

Sincerely,

Robert E Sell

Robert E. Sell
Mayor
Salem, Ohio

RES/sla

cc: File

Encl: 1

November 25, 1981

Dear Mr. Stockman:

I am writing to you to express my support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of the City of Salem to be kept informed on the various grant applications that would impact our area, but has also provided valuable input to the grant requests submitted by the City. Also, I feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of government and the various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thank you for your time and support.

UNICIPALITY OF SEBRING

J. Michael Pinkerton, Mayor
Sebring, Ohio 44672

December 2, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

This letter is to express our support for the continuation and strengthening of the A-95 Review Process. A-95 has proved to be a very valuable informational tool to us and our constituents. Also, A-95 has allowed us to support beneficial projects, and to state our opposition to those projects which were not beneficial and/or cost effective. A-95 has also allowed the citizens of our City to have input into the federal grant application process. Through A-95, a group of citizens pointed out a number of errors in a housing project, and were instrumental in seeing that HUD not fund the project until these errors were corrected. Without A-95 this project would have been funded and under construction. The A-95 Review Process should also be a part of the block grant application process to allow local government and the citizens to have input into these programs in the most cost-efficient method possible.

Thank you for your time and support.

Very truly yours,

CITY OF SEBRING

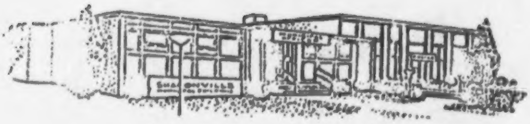
J Michael Pinkerton

J. Michael Pinkerton
Mayor

Charles H. Tieche

Charles H. Tieche
City Manager

JMPklv



City of Sharonvill

10900 READING ROAD • SHARONVILLE, OHIO 45241 • (513) 563-1144

JAMES D. GREENSFELDER
President of Council

JOHN S. DOWLIN
Mayor

JAMES B. DARLAHI
Safety/Service Di...

Council
HARVEY E. ANGEL
PAUL A. KASTELMAN
AARON E. MACKEY
ROBERT W. HOUSTON
JOHN HILLS
IVY E. TAYLOR
JAMES B. WILLIAMS

Auditor
CHARLES M. JOCELYN

Law Director
THOMAS T. KEATING

Treasurer
JANET I. BANGER

Clerk of Council
DOROTHY HILLAND

December 9, 1981

Mr. David Stockman, Director
U.S. Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Stockman:

It has come to our attention that OMB is nearing a decision on the A-95 review process. We would like to register our support of the process as a local community. The A-95 review process has proven to be a valuable tool for our local government. It has enabled us to monitor federal programs in the community as an effective means of preventing duplication, and has been especially useful in coordinating programs and activities at the local level, as well as at the state and federal levels. The process has encouraged citizen participation and has been an effective way to obtain citizen input into local activities.

With the consolidation of the federal grant programs and the current budget tightening, this A-95 coordination is intrinsic to the transition. We would urge that OMB continue to enforce the regulations of OMB Circular A-95 and encourage the States to do so as well.

Sincerely,

Robert W. Houston

Robert W. Houston
Councilman, Ward I

cc: Ed Harper, Deputy OMB Director
✓Jim Kelley, OMB, Director of the
Office of Intergovernmental Relations

City of Springdale

RAYMOND R. JOHNSON, MAYOR
DOYLE H. WEBSTER, CLERK-TREASURER
CECIL W. OSBORN, CITY ADMINISTRATOR

12105 LAWNVIEW AVE.
SPRINGDALE, OHIO 45246

TELEPHONE AREA CODE (513) 671-6885

December 21, 1981

Mr. David Stockman, Director
U.S. Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Stockman:

It has come to our attention that OMB is nearing a decision on the A-95 review process. The Springdale, Ohio City Council would like to register its comments concerning the process. Springdale is located in Hamilton County, Ohio, near Cincinnati.

Our community supports the formal means of gathering input from the citizens regarding activities in the metropolitan area. The process has encouraged citizen participation and has been effective in obtaining citizen input into local activities.

However, our community takes exception to the Ohio-Kentucky-Indiana Regional Council of Governments' disposition of the input which is gathered. O-K-I does not take a position on an activity but merely forwards the information on to the next level of bureaucracy without a recommendation. Consequently, some unworthy projects receive funding which do not enjoy the support of the citizens in the communities where the projects are located.

Our community believes that O-K-I should express a firm position on each project under consideration. In this way projects unworthy of further consideration would be dropped while those deserving funding would be advanced.

Our City Council believes this process would be more efficient and would obtain more desirable results. We have registered our complaint previously with O-K-I through our representatives but to no avail.

Very truly yours,

Springdale City Council

Robert G. Weckman

Robert G. Weckman
President

RGW/cmc

cc: R. Johnson, Mayor
C. Osborn, City Administrator
D. Webster, Clerk-Treasurer
A. Bradburn, Councilman
V. French, Councilman
D. Metcalf, Councilman
H. Nell, Councilman
D. Okum, Councilman
L. Waxman, Councilman
W. Gradison, U.S. Representative
N. Murkock, Hamilton County Commissioners
E. Harper, Deputy OMB Director
✓J. Kelley, OMB, Director of the Office of Intergovernmental Relations
H.A. Hessling, Executive Director, O-K-I
File

SPRINGFIELD TOWNSHIP
HAMILTON COUNTY, OHIO
8375 WINTON ROAD, CINCINNATI, OHIO 45231

Trustees
Carl F. Abel, Jr.
Frank Weikel
John Waksmundski

Clerk
Mrs. Judith A. Keller

Phone 522-1410 – Service
729-1300 – Police
521-4760 – Zoning
522-1410 – Recreation

Police Chief
William G. Hafer

Recreation
James W. Toben

Service
Robert L. Fangmeyer

Zoning Inspector
Thomas R. Graham

January 8, 1982

Mr. David Stockman, Director
U. S. Office of Management and
Budget
Executive Office of the President
Washington, D. C. 20503

Dear Mr. Stockman:

It is the understanding of our Board that your office is in the process of making a decision concerning the future of the A-95 review procedure of the Ohio-Kentucky-Indiana Regional Council of Governments.

We would like to advise you that, as local officials, we feel we receive very little if any benefit from the function of this Agency and would urge that discontinuance of funding for the entire operation be considered.

Very truly yours,

BOARD OF TRUSTEES OF SPRINGFIELD TOWNSHIP

Frank Weikel
Frank Weikel, Chairman

Carl F. Abel Jr
Carl F. Abel, Jr., Trustee

John Waksmundski
John Waksmundski, Trustee

FW/jam

BROOKE – HANCOCK – JEFFERSON
METROPOLITAN PLANNING COMMISSION

814 Adams Street
Steubenville, Ohio 43952
614 282 3685
614 283-4111 (257)

BHJ OFFICE
BHJ TRANSPORTATION STUDY OFFICE
B-H COUNCIL EXECUTIVE OFFICE

2150 Main Street
Weirton, West Virginia
26062
304 797 9666

BROOKE – HANCOCK REGION XI
PLANNING AND DEVELOPMENT COUNCIL
PROJECTS OFFICE

April 29, 1982

Mr. Richard Williamson
Assistant to the President
 for Intergovernment Affairs
The White House
Waashington, D.C.

SUBJECT: Your April 19, 1982 Mailgram to the National Association of Regional Councils regarding OMB Circular A-95 Revisions.

Dear Mr. Williamson:

I respectfully request that the new policies outlined in the subject mailgram be developed in an official format of the United States Government and published in the Federal Register with a 60 day comment period authorized. The issues surrounding any revision of OMB Circular A-95 are worthy of comment from local government officials and their Regional Councils of Governments. Such publication and provision of comment period would enable each local government and Regional Council of Governments to meet formally and discuss a response to your proposal.

On first reading with only my authority as Executive Director and not speaking for the Brooke-Hancock-Jefferson Metropolitan Planning Commission, I express my grave doubts about the effectiveness of your proposal. Local governments in this Region have long relied upon the A-95 clearinghouse process for early warning of proposals made not just by the Federal government and its agencies but also by private developers, quasi-public entities, state governments and even uncommunicative neighbor local governments. At least a few serious mistakes and several significant program overlaps have been prevented by this organization once it was aware of them. Our two states have effective systems for dealing with most "A-95 review" matters, right now, under the auspices of OMB Circular A-95; and I see a continuing need for some such minimum OMB prescription of standards for state A-95 clearinghouse structure that would ensure a nationwide effectiveness of the early warning and proposal review processes.

WORKING TO CREATE A BETTER QUALITY OF LIFE IN THE UPPER OHIO RIVER VALLEY

I am especially concerned at the weakness of the new policies for interstate areas. Nothing of substance is proposed. A general "provide for coordination of views..." statement will not ensure interstate cooperation in the many critical areas where interstate economic, social and environmental matters must be dealt with by several governments. At minimum, I expected some guidance for states in dealing with each other within the Federal system. There is none.

I urge you to give this organization and its member governments a fair chance to comment upon your formal proposal before it is implemented. If you have any questions of me, please feel free to telephone (614)282-3685.

Sincerely,

John R. Beck

John R. Beck
Executive Director

JRB:ca

cc: National Association of Regional Councils
Ohio Clearinghouse
West Virginia Clearinghouse

THE CITY OF STRUTHERS

Office of the Mayor
Municipal Building
Struthers, Ohio 44471
Phone (216) 755-2181

DANIEL J. HURITE
Mayor

ELEANORE TIMKO
Secretary to the Mayor

December 1, 1981

Mr. David Stockman
Director
Office of Management and Budget
Washington, D. C.

Dear Mr. Stockman:

This letter is to express our support for the continuation and strengthening of the A-95 Review Process. A-95 has proved to be a very valuable informational tool to us and our constituents. Also, A-95 has allowed us to support beneficial projects, and to state our opposition to those projects which were not beneficial and/or cost effective. A-95 has also allowed the citizens of our city to have input into the federal grant application process. Through A-95, a group of citizens pointed out a number of errors in a housing project and were instrumental in seeing that HUD not fund the project until these errors were corrected. Without A-95 this project would have been funded and nder construction. The A-95 Review Process should also be a part of the block grant application process to allow local government and the citizens to have input into these programs in the most cost-efficient method possible.

Thank you for your time and support.

Very truly yours,

Daniel J Hurite

Daniel J. Hurite
Mayor

DJH:ert

cc: Ed Harper, Deputy Director
Office of Management and Budget
Washington, D.C. 20503

Jim Kelly, Director
Office of Intergovernmental Rel.
Office of Management and Budget
Washington, D.C. 20503

Rep. Lyle Williams
1004 Longworth House Bldg.
Washington, D.C. 20515

Senator John Glenn
Suite 1203
Dirksen Office Bldg.
Washington, D.C. 20510

Senator Howard Metzenbaum
342 Senate Office Bldg.
Washington, D.C. 20510

Toledo Metropolitan Area Council of Governments
123 Michigan Street Toledo, Ohio 43624-1996

May 13, 1982

TMACOG OFFICERS:
Chairman:
Francis Szollosi,
Chairman
Vice Chairman:
Jay E. Parker,
Mayor
Second Vice Chairman:
John Ault,
Commissioner

TMACOG EXECUTIVE COMMITTEE:

Lucas County:
Francis Szollosi,
Commissioner
Ray Kest,
Commissioner
James Holzemer,
Commissioner
George Wilson,
Engineer
Wayman Palmer
David Boston
Doug DeGood,
Mayor
Leo Puccetti,
Councilman
Leonard Wasserman,
Mayor
James Seney,
Mayor
Donald Nofzinger,
Mayor
Lucille Laskey,
Trustee

Monroe County:
Gerald Miller,
Commissioner
Patricia Vozobulo,
Supervisor
Clyde Evans,
Mayor

Ottawa County:
John Fritz,
Mayor

Erie County:
George Sheard,
Mayor

Sandusky County:
Norman Curtis
Patrick Wadsworth,
Mayor
George Smith,
Mayor

Wood County:
Jay E. Parker,
Mayor
John Ault,
Commissioner
Leonard Stevens,
Commissioner
Norman Milligan,
Commissioner
Anthony Allion,
Engineer
Lloyd Heidorhouse,
Mayor
Louis Bauer,
Mayor

Schools and Authorities:
Charles Whitten

Senator David Durenberger
Chairman
Senate Intergovernmental
Relations Subcommittee
Room 507 Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510

RE: April 26, 1982, Hearing on OMB Circular A-95

Dear Senator Durenberger:

We would like to comment on the proposed replacement of OMB Circular A-95 with a Presidential initiative, and request that you record our remarks as part of the hearing record of the April 26, 1982, hearing on OMB Circular A-95.

We find the draft policies on the subject of areawide organizations to be confused — and confusing. The stated purpose of the policies is to "provide opportunities for consultation", which is seen as supportive of New Federalism. This is a laudable goal, and we fully support the Administration in it.

Immediately following this policy statement, however, the proposal declares the Administration's intention of "discouraging the reauthorization or creation of federally sponsored special purpose planning organizations". If this description is intended to include such areawide organizations as councils of government, then it is in direct conflict with its own first policy because, in many instances, such special purpose planning organizations are the means of consultation preferred by local governments. By frustrating these organizations, OMB may be stifling the very consultation it seeks to promote.

Furthermore, Point 2 under "Supporting Federalism", in stating that "Federal agencies shall support general purpose units of government by discouraging ... federally sponsored special purpose planning organizations", presupposes a negative connection between general purpose units of government and planning organizations. We suggest that no such adversarial relationship necessarily exists and that, therefore, simply discouraging areawide organizations is not necessarily synonymous with strengthening local government.

Paragraph 4 under Item 3, "Define Federal Agency Action", presents the same problem of paradoxical thinking. The heart of New Federalism is the welcome promotion of greater local

Phone (419) 241-9155

control; yet, this section views federal agencies as the sole proper vehicle for "coordination of views" of local elected officials. Either the local governments are competent to run their own affairs, or they are not. We firmly believe that they are and thus they are the appropriate agents of coordination of local views, not federal agencies.

Finally, the OMB draft appears to sidestep the responsibilities imposed upon the federal government by such legislation as the Intergovernmental Cooperation Act of 1968 and the Demonstration Cities Act of 1966, which absolutely mandate a federal role in intergovernmental relations. The role is not optional; nor is the federal government free to pass it on to others.

We appreciate this opportunity to comment and thank you for considering our remarks.

Sincerely,

Calvin M. Lakin
Executive Director

Robert M. O'Shea, P. E.
Consulting Engineer
3030 Sylvania Avenue
Toledo, Ohio 43613
Phone: (419) 474-5119

December 14, 1981

David A. Stockman, Director
Office of Management & Budget,
Old Executive Office Building
Washington, D. C. 20503

RE: A-95 Review Process

Dear Mr. Stockman:

As chairman of The Citizens Advisory Committee * of the Toledo Metropolitan Area Council of Governments, I realize The A-95 Review Process is now under scrutiny.

When citizens, local governments, planning agencies, etc., get through with the A-95 review, it ensures the "best" and most equitable use of our hard earned tax dollars, and for little or no cost.

Many faulty projects have been blocked or modified by this multi-faceted review process.

To prevent squandering of tax dollars and prevent "overlaps" between programs for cities and counties (etc.), this NO COST review benefits federal, state, and local governments, so please continue the present A-95 review process.

Very truly yours,

Robert M. O'Shea
Chairman, C.A.C.

* This C.A.C. is a totally volunteer group of citizens representing many of the most active organizations in the Northwest Ohio/Southeast Michigan area. There is a workable balance on the committee of black, white, men, women, labor, management, etc.

Each of us gives 4 to 8 hours of our time per month to evaluate A-95 applications, and like the six or eight other quasi-governmental bodies who review them, we present our recommendations to the executive committee of TMACOG for their decision.

CC: Ed Harper, Deputy OMB Director ✓
Jim Kelly, Director of Inter-governmental Relations at OMB
C. M. Lakin, Executive Director TMACOG
Senator Glenn and Senator Metzenbaum
Congressman Weber, Congressman Latta

CITY OF WARREN, OHIO
DANIEL J. SFERRA, Mayor

STEPHEN J. PAPALAS
Director of Service - Safety

CITY HALL
391 Mahoning Ave., N.W.
Telephone: 399-3681

November 24, 1981

Office of Management
and Budget
Washington, D. C. 20503

Attention: Mr. David Stockman

Dear Mr. Stockman:

I am writing to you to express my support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of the City of Warren to be kept informed on the various grant applications that would impact one area, but has also provided valuable input to the grant requests submitted by the City.

Also, I feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of government and the various local agencies. A-95, since it is already in place, is the most logical and cost-effective means to accomplish these goals.

Thank you for your time and support.

Cordially,

Daniel J. Sferra
Mayor

DJS:bcs

"This Agency is an Equal Provider of Services and an Equal Opportunity Employer — C.R.A. 1964"

TRUMBULL COUNTY COMMISSIONERS
160 HIGH ST., N.W.
WARREN, OHIO 44481

TED M. VANNELLI, President
ANTHONY A. LATELL, JR., Vice President
MARGARET DENNISON, Commissioner

ROSELYN J. FERRIS, Clerk

December 8, 1981

Mr. David Stockman
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

We are writing to you to express our support for the A-95 Review Process. A-95 has not only allowed the officials and citizens of Trumbull County to be kept informed on the various grant applications that would impact our area, but has also provided valuable input to the grant requests submitted by the County.

Also, we feel that it is imperative that local officials be kept informed on the block grants that the states receive and pass through to local units of government and the various local agencies. The present A-95 Review Process that is already in place, is the most logical and cost effective means to accomplish these goals.

Thank you for your time and support.

Yours very truly,

BOARD OF COUNTY COMMISSIONERS

Ted M Vannelli
Ted M. Vannelli, President

Anthony A Latell Jr
Anthony A. Latell, Jr., Vice President

Not Present
Margaret Dennison, Commissioner

c.c. Mr. Ed Harper, Deputy Director

✓ c.c. Mr. Jim Kelly, Director
Office of Intergovernmental Rel.

c.c. Rep. Lyle Williams

c.c. Senator John Glenn

c.c. Senator Howard Metzenbaum

Telephone: (216) 841-0451 • Niles-Hubbard-Girard (216) 539-4221 • Brookfield (216) 448-2551

LOUIS H. WILSON AGENCY
INSURANCE
46471 West Bursley Road
WELLINGTON, OHIO 44090

Phone 647-2341
(Area Code 216)

November 28, 1981

Director David A. Stockman
Office of Management and Budget
Old Executive Office Building
Washington, D. C. 20503

Re: A 95 Review Process

Dear Sir:

As a township trustee and also a board member of N.O.A.C.A. I feel that the whole NOACA process is a waste of taxpayer money. It is a duplication. This process should be eliminated. There is enough government without NOACA.

There is Federal, State, County, Municipal, and Township government agencies. All others should be eliminated, and money saved. You have my full support.

So I am asking that the A95 and the NOACA Process be eliminated.

Yours truly,

Louis H. Wilson

Louis H. Wilson
46471 W. Bursley Rd.
Wellington, Ohio, 44090

copies to:
Senator Metzenbaum
Senator Glenn
Congressman Pease

PROFESSIONAL PIA INSURANCE AGENTS

Office of the Mayor Youngstown, Ohio
Mayor George Vukovich
City Hall Youngstown, Ohio 44503 216/746-1892 Ext. 201

November 30, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Stockman:

This letter is to express our support for the continuation and strengthening of the A-95 Review Process.

A-95 has proved to be a very valuable informational tool to us and our constituents. Also, A-95 has allowed us to support beneficial projects, and to state our opposition to those projects which were not beneficial and/or cost effective. A-95 has also allowed the citizens of our city to have input into the federal grant application process.

Through A-95, a group of citizens pointed out a number of errors in a housing project, and were instrumental in seeing that HUD not fund the project until these errors were corrected. Without A-95, this project would have been funded and under construction.

The A-95 Review Process should also be a part of the block grant application process to allow local government and the citizens to have input into these programs in the most cost-efficient method possible.

Thank you for your time and support.

Sincerely,

George Vukovich

George Vukovich, Mayor
City of Youngstown, Ohio

cc: Ed Harper, Office of Management and Budget
Jim Kelly, Office of Intergovernmental Relations
Representative Lyle Williams
Senator John Glenn
Senator Howard Metzenbaum

COMMISSIONERS
THOMAS J. BARRETT
JOHN PALERMO
GEORGE J. BINDAS

County of Mahoning

YOUNGSTOWN, OHIO
BOARD OF COMMISSIONERS

COUNTY OFFICE BUILDING
21 WEST BOARDMAN STREET
YOUNGSTOWN, OHIO 44503
PHONE 747-2092
EXT. 316-7

December 2, 1981

Mr. David Stockman, Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

This letter is to express our support for the continuation and strengthening of the A-95 Review Process. A-95 has proved to be a very valuable informational tool to us and our constituents. Also, A-95 has allowed us to support beneficial projects, and to state our opposition to those projects which were not beneficial and/or cost effective. A-95 has also allowed the citizens of our county to have input into the federal grant application process. Through A-95, a group of citizens pointed out a number of errors in a housing project, and were instrumental in seeing that HUD not fund the project until these errors were corrected. Without A-95 this project would have been funded and under construction. The A-95 Review Process should also be a part of the block grant application process to allow local government and the citizens to have input into these programs in the most cost-efficient method possible.

Thank you for your time and support.

Sincerely,

BOARD OF MAHONING COUNTY COMMISSIONERS

George J. Bindas
George J. Bindas, President of the Board

John Palermo
John Palermo, Vice President

Thomas J. Barrett
Thomas J. Barrett, Commissioner

BCC/sm

CC:

Senator John Glenn
Suite 1203
Dirksen Office Building
Washington, D.C. 20510

Senator Howard Metzenbaum
342 Senate Office Building
Washington, D.C. 20510

Ed Harper, Deputy Director
Office of Management and Budget
Washington, D.C. 20503

Jim Kelly, Director
Office of Intergovernment Rel.
Office of Management and Budget
Washington, D.C. 20503

Representative Lyle Williams
1004 Longworth House Building
Washington, D.C. 20515

WILLIAM P. FERGUS P.E.

November 25, 1981

Office of Management and
Budget
Washington, D.C. 20503

ATTN: MR. DAVID STOCKMAN

Dear Mr. Stockman:

At the November 9, 1981 meeting of the General Policy Board of the Eastgate Development and Transportation Agency, the Board unanimously passed a motion to contact all the appropriate federal officials concerning the suspension of the A-95 Review Requirement on many federal programs. Present at the meeting were County Commissioners from Ashtabula, Mahoning and Trumbull Counties, Ohio and Mayors or their representatives from twelve (12) cities and villages in Ashtabula, Mahoning, Columbiana, and Trumbull Counties.

These elected officials have officially gone on record strongly supporting the maintaining of the A-95 Review Requirement on the federal programs that have had the requirement in the past and oppose weakening the process. The Board, realizing that A-95 is not an approval/disapproval process, further feels that the local officials comments should have more weight. In the past these officials have, through A-95, been able to lend their support to many projects that have had a positive impact on our economically depressed region. These officials, have thru the A-95 process been able to deter projects that would have been detrimental to our region. Without A-95, most, if not all, of these detrimental projects would have been carried out, with large amounts of federal dollars being wasted.

To date there has been not direct federal funding for A-95 activities, yet A-95 has saved the federal government many millions of dollars. To us, these seem very cost-effective. We sincerely hope that A-95 will be maintained, and will be supported by the Office of Management and Budget.

Respectfully,

Mayor Francis J. McLaughlin
Mayor Francis J. McLaughlin
Chairman, General Policy Board

EDATA
EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
130 JAVIT COURT, YOUNGSTOWN, OHIO 44515
☎ 216 / 793-2202 YOUNGSTOWN
/ 373-1921 WARREN

WILLIAM P. FERGUS, P.E.
DIRECTOR

November 30, 1981

Mr. Ed Harper, Deputy Dir.
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Harper:

The Eastgate Development and Transportation Agency (EDATA) Citizens Advisory Board (CAB) officially took action at their November 1981 meeting to inform their state and federal legislators of their concern over the proposed future direction of the A-95 Review Process.

The Citizens Advisory Board (CAB) is composed of 70 members from the Counties of Ashtabula, Columbiana, Mahoning and Trumbull within Ohio. Each month EDATA's CAB, through the A-95 Review Process, is made aware of grant applications generated within those four counties.

Without this process, citizens will not be aware of proposals within their area until projects have been funded and possibly under construction. A most recent case in point involved an application for Section 8 Housing Funds that stated in the application that public transportation was available, stores were within walking distance, and it met proper zoning. All these statements were false.

Because the A-95 Review Process the citizens and the local elected officials were able to request that the funding agency delay funding until local regulations had been properly addressed.

The A-95 Review Process has successfully functioned as the federal fiscal control value that has enabled citizens and local government officials to monitor their tax dollars.

Please lend the support of your office to strengthen the already functioning A-95 Review Network.

Sincerely,

Richard Doyle

Richard Doyle, Chairman

RD/bfo
c: Jim Kelly

EDATA
EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
130 JAVIT COURT, YOUNGSTOWN, OHIO 44515
☎ 216 / 793-3282 YOUNGSTOWN
373-1921 WARREN

Youngstown Vindicator

Published Every Day of the Year

Youngstown, Ohio 44501 · Established June 1868

William F. Maag Jr., July 26, 1883 — February 29, 1968
William J. Brown, June 14, 1913 — August 14, 1981

Betty J. H. Brown
Publisher

Elizabeth M. Brown
Vice President, Secretary

Mark A. Brown
Assistant Secretary and Assistant Treasurer

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Phone 747-1471 connecting all departments

Thursday, September 24, 1981

Why Wasn't Austintown Told?

How could the federal government get so far along toward approving a loan for rent-subsidized housing development in Austintown before anyone there was told about it?

Amazingly, that's what happened and, though the township finally got the agency to reverse its field and reject the loan bid, trustees and residents are rightfully upset with bureaucracy.

Not until June 8 did the township trustees learn that Dillon Co. of Akron, a major developer, had applied for a $1.7 million loan to build 50 single-family houses. It was under Section 8, a program in which the federal government subsidizes rents of moderate-and low-income families. The houses were to be interspersed in Still Meadows among the 113 homes already there, now valued at $50,000 to $70,000. (Dillon later said its units would be of comparable quality.)

To their dismay, trustees further learned that the project had been under way nearly a year and already had approval of the Ohio Housing Board.

Besides coming late in the game, notification by the Department of Housing and Urban Development (HUD) gave the trustees only a month to respond.

Still Meadows residents quickly mobilized leadership to help trustees muster opposition. They carefully analyzed the application and found significant errors of fact. EDATA, a clearinghouse for area communities' federal applications, joined in opposing the loan. Through Rep. Lyle Williams' office, a review of the case was won and the HUD secretary withdrew support for the loan's approval.

As much as on the application's data errors, HUD said, the reversal was based on the application's processing — local officials had not had the opportunity to comment.

Perhaps state and federal procedures don't require local notification when zoning changes aren't needed, as in the Austintown case. But HUD's finding would indicate at least that HUD's do, and weren't followed. The state board's should if they don't, and should be followed if they do.

Whatever, an important step was skipped. If not legalities, common courtesy to a local government and its citizens requires it.

The question remains: why wasn't the township notified earlier?

XENIA, OHIO 45385
The City of Hospitality
Telephone Area Code 513 – 372-7611

Office of The Mayor

December 9, 1981

Mr. David A. Stockman, Director
Office of Management and Budget
Old Executive Building
Washington, DC 20503

Dear Mr. Stockman:

I support the continuation of the Office of Management and Budget A-95 Review process as it is currently established. Although this process is not perfect, it is the only current local mechanism for monitoring the distribution of funds along with their intended purpose. Thus, it can preclude duplication and inefficient use of such Federal funds.

In addition, it can function as an evaluation process in that continuing projects, reapplied for on an annual basis, are assured of scrutiny.

The existing A-95 Review process, using regional clearing houses, and in our extant case the Miami Valley Regional Planning Commission, made up of representatives of all local governments in our region, continues to insure local control and local decision making, which is consistent with President Reagan's intentions.

Sincerely,

Walter L. Marshall
Walter L. Marshall
Mayor

WLM:oa
c: Ed Harper
Jim Kelly

Association of
Central
Oklahoma
Governments

4801 Classen Boulevard, Suite 200
Oklahoma City, Oklahoma 73118
(405) 848-8961

October 26, 1981

Mr. Harold I. Steinberg
Associate Director for Management
U.S. Office of Management and Budget
Old Executive Office Building
17th and Pennsylvania, N.W.
Washington, D.C. 20503

Dear Mr. Steinberg:

This is for your use in evaluating the OMB Circular A-95 and its effectiveness as a tool for coordination of federal funds that impact upon state and local governments.

The Association of Central Oklahoma Governments is a designated areawide A-95 clearinghouse, whose members participate both as individuals and as a group in the review of applications received by the clearinghouse. These representatives of local government in 1977 developed and adopted a resolution creating a modified A-95 review and comment mechanism designed to provide the broadest review in the shortest possible time using the least amount of staff time and paperwork.

Their adopted policy statement related to A-95 reviews is: "While the primary purpose of the A-95 review process is to provide a vehicle for coordination of federally supported programs, it should be remembered that the purpose of federal programs is to help the applicant in the solution of a problem. Therefore, ACOG's emphasis is on helping the applicant to develop the best possible product to achieve the applicant's objectives in a manner that will not do harm to the plans and programs of other agencies."

They have shown their belief in and the need for such a review mechanism by annually increasing the local government share of funds to support the process.

Chairman William S. Morgan
Mayor, Norman

Vice-Chairman Roy Carmack
Councilman, The Village

Secretary-Treasurer Emil Fox
Commissioner, Cleveland County

Executive Director
Zach. D. Taylor

Most of the applications reviewed by ACOG are well developed, and compatible with areawide goals and objectives. These projects are approved with a very minimal amount of time and paperwork. The mere fact of A-95 review contributes in a major way to this class of applications being well developed and consistent with local and area plans.

Other applications that eventually receive routine type favorable comments from ACOG will have been modified during the review process so as to be non-duplicative and contribute in a positive way to local and areawide goals and objectives. These modifications often times are accomplished just through a telephone conversation between ACOG staff and the applicant identifying areas of conflict or incompatibility.

Other applications require a more in-depth interchange between ACOG staff and the applicant. When agreement cannot be reached in that manner, an A-95 conference is called between the applicant and the local entity or entities that disagree with the application. The ACOG A-95 staff serves as chair for such conferences, and if resolution is not reached in that forum, the application receives formal review by the ACOG Board of Directors.

Seldom does an application finally receive negative comment from ACOG. In most instances, the problems are worked out, or it becomes evident that an application is clearly inconsistent or duplicative and is dropped by the applicant.

HUD's housing and community development programs are particularly well suited to this type of A-95 review process, in that most all inconsistencies such as floodplain encroachment, incompatible zoning, water supplies, drainage and traffic problems as well as impact upon schools and adjoining neighborhoods and/or entities are identified and addressed prior to the commitment of any funds.

Of particular importance in Central Oklahoma is the coordination of other federal projects with the federal defense program on-going at Tinker Air Force Base. The ACOG A-95 review process provides the necessary link for such coordination, by including Tinker AFB as one party of A-95's Part IV Agreements. A number of problems related to encroachment of the Tinker AFB Air Installation Compatible Use Zone (AICUZ) as well as proposed development on the perimeter of the base that could have resulted in housing being placed in unsafe storage zones for explosives have been resolved through the A-95 process.

Other Part IV Agreements exist with the Areawide Aging Agency which is a community service agency supported by HHS and CAP funds and with the Oklahoma Health Systems Agency which is responsible for review of health care projects.

In short, without a process such as the ACOG A-95 review procedure, coordination and compatibility of federally funded projects with state and local plans in the ACOG area, could not have been guaranteed. Although most any process or procedure should be subject to review and revision periodically, the present A-95 circular provides a very solid basis for holding duplication of efforts and overlapping of functions to a minimum while at the same time helping to assure maximum compatibility of federal programs with other federal programs and state and local goals and objectives. This is especially true when the emphasis of A-95 review is on helping the applicant to develop the best possible product to achieve the applicant's objectives in a manner that will not do harm to the plans and programs of other agencies.

We hope this information is helpful as you deliberate the future of A-95. We are enclosing a copy of ACOG's A-95 Operations Guide for your use. If we can provide additional information or be of further assistance, please do not hesitate to contact me.

Sincerely,

Zach D. Taylor
Executive Director

ZDT/cw

Enclosures

cc: Lee Schoenecher, Office of Management and Budget
Lei Gainer, NARC

O.E.D.A.
OKLAHOMA ECONOMIC DEVELOPMENT ASSOCIATION
BEAVER, OKLAHOMA 73932

'82 MAY 24

May 18, 1982

Senator David Durenburger, Chairman
Senate Intergovernmental Relations Subcommittee
Room 507 Carroll Arms Building
301 1st Street, N.E.
Washington, D.C. 20510

Dear Senator Durenburger:

The Oklahoma Economic Development Association, an association of local governments in Western Oklahoma, would like to voice an opinion on the proposed restructuring of OMB Circular A-95. We feel that the process is very valuable for several reasons.

First and foremost, the process informs the local elected official of proposed federal actions that will effect his community or county. This may not seem like a major issue, but the OEDA Board feels that it is a point of consideration that local government have the option or the opportunity to respond to federal programs that will effect them, whatever they may be.

Second, the OEDA Board feels that the A-95 process strengthens local accountibility in locally generated grant applications. If a grant application is made without any kind of local review the Board feels that efforts to eliminate duplication of effort and conflict with accepted regional goals and objectives has not been provided.

Third, if local elected official's opinion and grass root's support are truly requested by President Reagan, the removing of A-95 process to the state level has again allowed the bureaucracy to reverse the operations of government away from the "Grass roots". The local elected official often feels no more comfortable with their state cousin than their federal counterpart, and removing the A-95 process to the State level is not a reassurance of a fair review.

Fourth, in reference to the paper work generated by the process, in Oklahoma there is one additional page that is required for the review. I fail to see a unsurmountable amount of paper to be produced by the grant applicant. In Oklahoma's case, there is one additional copy of the grant required to be sent to the regional clearinghouse, which is then copied and forwarded to the state clearinghouse by the regional office.

With these thoughts in mind, the Oklahoma Economic Development Association would like to request that you make our comments part of the hearing record of the April 26th hearing on OMB Circular A-95.

Sincerely,

H.A. Kilgore

H. A. Kilgore
Chairman
Board of Directors

CHAIRMAN
Commissioner Dorothy Krebs

VICE CHAIRMAN
Mayor Dale Courtney

SECRETARY-TREASURER
Mayor Glenn Findlay

EXECUTIVE DIRECTOR
Lewis "Tony" Barnhart

East Central Oregon Association of Counties
920 S. W. Frazer, P. O. Box 1207
Pendleton, Oregon 97801

Phone (503) 276-6732

November 6, 1981

Mr. Harold I. Steinberg
Associate Director for Management
Office of Management and Budget
238 Old Executive Office Building
Washington, D. C. 20503

Dear Mr. Steinberg:

In response to a memo from Gloria Whitman, dated October 15, ECOAC offers the following comments.

ECOAC has served as a regional A-95 Clearinghouse for a number of years. Our District (12) covers a five-county area in Eastern Oregon. Each month, at the Board of Director's meeting, A-95 projects are reviewed. This process is quite time-consuming, but it has been felt to be important information to present at this public forum.

The Board, on a number of occasions has voiced concern about the apparent ineffectiveness of the A-95 review system. This concern comes mainly as a result of the lack of power to hinder projects that are considered, by the Board, to have an adverse impact in the area in which they serve.

Unless the A-95 review process is given the power to affect changes in a project or program that is seen to have adverse impacts, the ECOAC Board feels it to be a useless system and feels it should be abolished.

Please keep us informed of the status of the A-95 system review. We would be interested to learn of any changes that are proposed. Thank you for the chance to comment.

Sincerely,

Lewis "Tony" Barnhart
Executive Director

mb

A voluntary association of the following COUNTIES and Cities: GILLIAM: Arlington, Condon, Lonerock; GRANT: Canyon City, Dayville, Granite, John Day, Long Creek, Monument, Mt. Vernon, Prairie City, Seneca; MORROW: Boardman, Heppner, Ione, Irrigon, Lexington; UMATILLA: Adams, Athena, Echo, Helix, Hermiston, Milton-Freewater, Pendleton, Pilot Rock, Stanfield, Ukiah, Umatilla,

MID WILLAMETTE VALLEY
COUNCIL OF GOVERNMENTS
400 SENATOR BUILDING ★ 220 HIGH ST. N.E., SALEM, OREGON 97301
TELEPHONE (503) 588-6177 ALAN H. HERSHEY, *Director*

Honorable Mark O. Hatfield
463 Russell
Senate Office Building
Washington, D.C. 20510

June 30, 1981

Dear Mark:

It has come to our attention that the U. S. Department of Housing and Urban Development has indicated a desire to withdraw its programs from review under OMB Circular A-95. Our sources have also indicated that this may, indeed, be only the first step in the elimination of the entire review process.

We would like to indicate our strong support for continuation of the local and state A-95 review of federally funded projects, and particularly the HUD programs.

Of all the various programs currently requiring A-95 review, the housing programs probably result in the most substantive comments. In our area, we have effectively used the process to promote intergovernmental cooperation between local government and state and federal agencies, and thus affect the distribution of federally subsidized housing in our communities.

Our member governments have always been active participants in the A-95 program. It provides useful information and allows them an opportunity to impact federal funding decisions that affect their communities. The complexity of federal funding sources and local issues makes it impossible for any single federal agency to dedicate the time and resources necessary to discover by itself all of these factors when making funding decisions. Without local input, funding decisions could significantly increase waste and duplication of effort. The benefit to local communities and the more effective use of limited federal funds is well worth the investment to maintain the program.

We urge you to support the continuation of the A-95 review process.

Sincerely,

Lyn Hardy

Commissioner Lyn Hardy
Chairman, COG Board of Directors

SH/r
Letters also sent to:
Senator Bob Packwood
Representative Les AuCoin
Representative Denny Smith

MEMBER AGENCIES:
State of Oregon. COUNTIES: Marion, Polk, Yamhill. CITIES: Amity, Aumsville, Aurora, Carlton, Dallas, Dayton, Detroit, Falls City, Gervais, Hubbard, Idanha, Independence, Jefferson, Lafayette, McMinnville, Monmouth, Mt. Angel, Newberg, Salem, Sheridan, Silverton, Stayton, Sublimity, Turner, Willamina, Woodburn. SPECIAL DISTRICTS: Chemeketa Community College, Marion County Fire District #1, Marion County Education Service District, Yamhill County Education Service District, Marion, Polk and Yamhill Soil & Water Conservation Districts, Salem School District 24J.

POLK COUNTY BOARD OF COMMISSIONERS

HENRY A (HANK) DOUGHERTY
COMMISSIONER

LYN HARDY
COMMISSIONER

BENJ F MAGILL
COMMISSIONER

TELEPHONE 623-8173 or 370-2500

Room 104
COUNTY COURTHOUSE
DALLAS OREGON 97338

July 8, 1981

The Honorable Mark O. Hatfield
U.S. Senator
463 Russell
Senate Office Building
Washington, D.C. 20510

Dear Senator Hatfield:

It has come to our attention that the U.S. Department of Housing and Urban Development has indicated a desire to withdraw its programs from review under OMB Circular A-95. Our sources have also indicated that this may, indeed, be only the first step in the elimination of the entire review process.

We would like to indicate our strong support for continuation of the local and state A-95 review of federally funded projects, and particularly the HUD programs.

Of all the various programs currently requiring A-95 review, the housing programs probably result in the most substantive comments. In our area, we have effectively used the process to promote intergovernmental cooperation between local government and state and federal agencies, and thus affect the distribution of federally subsidized housing in our communities.

We urge you to support the continuation of the A-95 review process.

Sincerely,

POLK COUNTY BOARD OF COMMISSIONERS

Benj. F. Magill
Benj. F. Magill, Chairman

Henry A. (Hank) Dougherty, Commissioner

Lyn Hardy
Lyn Hardy, Commissioner

economic development council of northeastern penna, inc.
proximity to markets . . . a competitive edge

August 28, 1981

The President
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President:

The Project Notification and Review System (PNRS) utilized in most parts of the country is an important element in our goal to improve the quality of life in Northeastern Pennsylvania. This process (best known as A-95) was originally instituted through the Intergovernmental Cooperation Act of 1968 and is currently under review by Congress and the Administration.

In a unanimous resolution of the Economic Development Council of Northeastern Pennsylvania's Executive Committee on August 27, 1981, our Council went on record in strong support for the continuation of the Project Notification and Review System process as an absolutely vital link in our reporting and data support system enabling us to keep abreast of and participate in the myriad of projects which impact the region's quality of life.

It is our understanding that a Congressional hearing will be held on this subject on September 15, 1981, by the Senate Sub-Committee on Intergovernmental Relations, chaired by Senator David L. Durenberger of Minnesota.

We hope that you will support the continuation and strengthening of this A-95 process and look forward to working closely with you in this regard.

Yours truly,

Howard J. Grossman

Howard J. Grossman
Executive Director

HJG:jal

ROY E. MORGAN, PRESIDENT
HOWARD J. GROSSMAN, EXECUTIVE DIRECTOR

P.O. BOX 777 / AVOCA, PA. 18641 / TEL. 717-655-5581

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HAROLD W. NELSON
Chairperson

Algie Gary, Vice Chairperson
Thelma Griffith-Johnson, Treasurer
Michael E. Donaldson, Convener

Reply to: 101 S. Second St., Executive House
Suite 311, Harrisburg, PA. 17101

Senator David Durenberger
Chairman of Subcommittee on
Intergovernmental Relations
507 Carroll Arms Building
301 First Street N.E.
Washington, D. C. 20510

Attn: Pam Hess

Dear Senator Durenberger:

Our organization is aware of your position on the issue of OMB Circular A-95 (known as the A-95 process in many community(ies)) and, we support your position.

The Commonwealth of Pennsylvania had suspended the A-95 process for the State last June of 1981. While many A-95 Planning Commissions continue to operate in the State - the fact that the State had closed its Clearinghouse for A-95 applications and processing, render the Planning Commission non-functional.

The A-95 process was the only significant link between the State, local and Federal government, where the community residents could articulate positive or negative responses on a Federal program in their area.

The elimination of the A-95 process in the State, in reality, has removed the voice of the people in addressing Federal programs, which not only impact upon the economic status, but their daily welfare in general.

Although, Title IV of the Intergovernmental Cooperation Act of 1968, 42 U.S.C. Section 4201, et seq and, by rules and regulations prescribed under the Act by the Office of Management and Budget (OMB) in OMB Circular A-95 - the purpose and intent of the process was to assure public review and comment on Federal applications. The review of the application by concern parties of the State, local units of government and citizens at large, had a forum to air their feelings on projects affecting their community and lives. In Pennsylvania this forum is gone.

A-95 process for the most part, provided the only leverage for citizens to express themselves in Federal programs affecting their lives. Only as a matter social jurisprudence, a system of equity, and a procedure of remedy, would at least, balance the voice for the community residents to be heard.

The lack of the A-95 process unfairly excludes community participation, that tends to erode public trust by the acts of responsible bureacratic officials.

We certainly appreciate your intention to maintain a harmonious relationship between Federal, State and local government, in the A-95 process and, we indeed support your efforts in this matter.

Sincerely,

Mike E. Donaldson

Michael E. Donaldson, Convener
Civil Rights Alliance

[illegible] NASHVILLE HIGHWAY
COLUMBIA, TENNESSEE [illegible]

PHONE [illegible]

SCT

JUDGE ROY TIPPS, Chairman
MAYOR W. C. KIRK, Vice-Chairman
EXECUTIVE DON DARDEN, Secretary-Treasurer
JOE MAX WILLIAMS, Executive Director

SOUTH CENTRAL TENNESSEE DEVELOPMENT DISTRICT

May 11, 1982

Senator David Durenberger
Chairman
Senate Intergovernmental Relations
Subcommittee
Room 507, Carroll Arms Building
301 1st. Avenue, N.E.
Washington, D. C. 20510

Dear Sir:

I would like for my following comments on the OMB A-95 review process to be entered into the hearing record of April 26, 1982.

These observations about the A-95 review process strike me as being particularly important.

(1) Projects are presented for A-95 review which have never been taken before local planning commissions to ensure that these proposed projects comply with local ordinances, subdivision regulations, zoning requirements, etc. The A-95 process acts as a screening mechanism to ensure that these local bodies must first pass on proposed projects.

(2) A-95 provides a forum whereby local government officials may be made aware of funding possibilities for projects that may be needed in their communities.

(3) Intergovernmental squabbles may be worked out at the regional level through the A-95 process that would otherwise cause stalemating of needed projects.

(4) A-95 review is especially important on a regional basis in the instance of the devolution of block grants to the states. Public hearings are generally costly to hold, in terms of money, staff and time commitments, and regional reviews by locally elected officials enhance the application processes by helping to ensure objectivity via review by a group which recognizes itself primarily as a "local" group rather than a "state" group. Many of these same local officials sit on boards of non-profit organizations which will later be delivery vehicles for block grant programs and only through the regional A-95 process are they able to have input into shaping these programs before they are asked to sign the contracts and vote as sitting board members of such organizations. Generally, by that point it is a little late for policy direction because the programs have already been defined.

(5) Provincial differences rarely are considered, if even known, in the delivery of statewide and Nationwide programs, but the regional A-95 process provides a mechanism for those differing views to be taken.

(6) There is a distinct possibility that a state-local A-95 review process, standing alone, may so narrow the perception of local officials that they will only be aware of what is happening in their own backyards. The facts would indicate that these local officials yearn to increase their awareness of the political, cultural, and social milieux by virtue of their groupings with other officials throughout their states, regions and the Nation on interests of vital concern to their communities. A-95 should be viewed as an ombudsman process that turns local officials of the Nation outward to view those forces that affect their everyday lives and the lives of those they have been elected to represent.

Thank you for the opportunity.

Very truly yours,

Joe M. Williams

Joe Max Williams
Executive Director

plg

TENNESSEE STATE PLANNING OFFICE
1800 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37219
(615) 741-1676

August 20, 1981

Mr. Harold I. Steinberg
Associate Director
Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Steinberg,

I have been informed that the Office of Management and Budget will shortly be arriving at a decision in regard to the future of OMB Circular No. A-95. The A-95 review system is the most effective mechanism state government has to identify environmental concerns and duplicative program efforts. Consequently, your efforts to insure its continued success would be most appreciated.

For your information I have detailed below a brief description of each of the four parts of the Circular and its service to state government.

Part I - Project Notification and Review System (PNRS) - This section identifies approximately 200 federal grant programs which require review by state and areawide clearinghouses of applications prior to consideration for grant award by the federal funding agency. The state and areawides have no approval/disapproval authority. However, the federal funding agency must explain its reasoning in writing to the state if the application is funded over state objections. This system is an invaluable tool in the areas of:

a. Prevention of Duplicative Services - The PNRS provides the state with a method of alerting state agencies, local governments and profit/nonprofit organizations to potential cases of duplication of effort.

b. Enforcement of Water Quality Control Regulations - The state monitors applications from cities, towns and utility districts whose wastewater and drinking water treatment facilities are not capable of handling present demand. The state does not endorse proposals which increase the burden on these overloaded systems.

c. Floodplain Management - All applications are reviewed to insure compliance with the National Floodplain Insurance Program and Presidential Executive Order 11988.

Part II - Coordination of Federal Development - This section provides a mechanism for coordination amongst federal, state and local governments in the areas of:

a. Direct Federal Development - Post Office, Military, Veterans Administration, GSA and TVA construction are coordinated with the state to insure that federal development is consistent with state and local plans and priorities. Some of the most common programs coordinated are reviews of sitings of TVA transmission lines and feasibility and sitings for small hydropower projects.

b. Environmental Reviews - Section 404 Public Law 92-500 as amended in 1976 permits, Environmental Impact Statements and Notices of No Significant Environmental Effect under the National Environmental Policy Act of 1969 are reviewed by the state to insure compliance with applicable state and federal statutes protecting the environment.

c. Floodplain Management - The state reviews proposals for impact upon floodplains and floodways to insure compliance with Presidential Order 11988.

c. Surface Mine Site Review - The State Clearinghouse routing system is utilized for review of petitions for lands unsuitable for mining pursuant to section 522 of Public Law 95-87 (Federal Surface Mining Act). Participating agencies make recommendations to the Tennessee Commissioner of Conservation on designation of lands unsuitable for mining.

Part III - Governor's Review of State Plans - This section of the Circular provides that the Governor be afforded an opportunity to review all state plans prior to their submission to the federal funding agency. The Governor uses this opportunity to insure that all plans developed by state agencies are consistent with state, areawide and local plans and programs. The areawide planning bodies are afforded an opportunity to review these plans under this section.

Part IV - Coordination of Planning in Multijurisdictional Areas - This section of the Circular is designed to help eliminate overlap, duplication and competition in planning activities and encourage organization of planning activities. The State of Tennessee has used this section to divide the state into nine areawide planning areas, insure through the Governor's Executive Order that all state agencies plan programs along these regional boundaries and work with federal funding agencies to insure their recognition and support of this concept.

Tennessee State Government is a strong supporter of the A-95 review system. It has identified and resolved many potential problems prior to application receipt by the federal funding agency or before environmental damage took place.

Your consideration of this information in the decision making process will be greatly appreciated.

Sincerely,

Stephen H. Norris

Stephen H. Norris

Panhandle Regional Planning Commission

PRPC
730 Amarillo Building
and Polk Streets
P.O. Box 9257
Amarillo, Texas 79105
372 3381

April 26, 1982

David Stockman, Director
Office of Management and Budget
Old Executive Office Building
Room 252
Washington, D.C. 20503

Dear Mr. Stockman:

Since its issuance in 1969, OMB Circular No. A-95 has become a valuable decision-making tool. It has served to further communication and cooperation, reduce duplication, prevent program and service voids and has allowed for a more effective allocation of resources. In the twenty-five county Texas Panhandle region, the A-95 process has provided the opportunity for municipal officials, county officials, special interest groups and private citizens to directly influence federal decisions. Without A-95, as presently structured, local officials will not be in a position to formally influence federal decisions that directly affect their own plans and programs.

A-95 comments and recommendations made by local officials and citizens through the Panhandle Regional Planning Commission, acting as the regional clearinghouse, have influenced numerous federal funding decisions. FmHA loan guarantees have been differed due to potential adverse affects on local community facilities, public housing proposals have been rejected due to inconsistencies with local housing plans and other multi-million dollar housing projects have been rejected due to their proposed locations in local flood zones. Many other federally assisted programs have had to "clean up their acts" knowing that local officials will closely examine those programs and comment negatively if all is not in order.

The Panhandle Regional Planning Commission, like regional councils across the nation has demonstrated a successful A-95 track record. Any revisions to the present process should include a defined role for regional councils and local elected officals. To exclude such regional and local participation will be an abandonment of a proven and effective review process.

Any changes in the A-95 process should be in the form of a proposed circular published in the Federal Register with a full sixty day comment period. I urge your consideration of a strong A-95 process with vigorous regional and local participation.

Sincerely,

Jerry S. McGuire

Jerry S. McGuire
Executive Director

2V

cc: Richard Williamson
Assistant to the President
For Intergovernmental Affairs

Senator David Durenberger
Subcommittee on Intergovernmental Relations
Senate Committee on Governmental Affairs

✓Richard L. Hartman, Executive Director
National Association on Regional Councils

CITY OF DALLAS

November 30, 1981

Mr. Edwin L. Harper
Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20503

Dear Mr. Harper:

As you have the Government's A-95 Program under review, I would appreciate your consideration of my experience with the system.

I currently serve on the Government Applications Review Committee at the North Central Texas Regional Council of Governments; that is the key A-95 review agency in this Region. I also worked with the A-95 system at the state level when I was planning director for the State of Wisconsin in 1971-72.

The A-95 system is a major assist to local governments in dealing with federal agencies. ven to this time, some federal agencies resist participation in the process in order to void addressing the concerns of local governments.

Not only does the A-95 process often provide the only consistent announcement of projects affecting local governments, it also provides them with the opportunity to join forces in stating their wishes or concerns to the federal agencies.

As an example, this Region has used the A-95 process to place pressure on federal agencies that assist in water development projects to cease funding wells as a source of water supply in favor of tapping available or potential surface water sources (the ground water supply in this Region being in jeopardy from overdraft).

Similarly, effort is made to see that federally-assisted rural water systems on outskirts of cities put in large enough pipes so that they do not have to be immediately replaced when the area becomes part of the neighboring city.

Certainly, the process might well be streamlined. This Region is exploring means of doing that for suggestion to OMB.

In summary, A-95 is a program that helps local governments avoid unnecessary costs. Please give that strong consideration in your deliberations.

Sincerely,

E. Jack Schoop

Jack Schoop, AICP
Director of Urban Planning

cc: Harold Steinberg
Richard S. Williamson

DEPARTMENT OF URBAN PLANNING CITY HALL DALLAS TEXAS 75201 TELEPHONE 214 [illegible]

CITY OF GAINESVILLE
The exact center of the Nation's greatest oil producing area!
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76240

Office of
THE MAYOR

April 23, 1982

Senator David Durenberger
Subcommittee on Intergovernmental Relations
Senate Committee on Governmental Affairs
Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Durenberger:

Re: A-95 Review Draft Proposal

It is my understanding that your Subcommittee on Intergovernmental Relations has scheduled for Monday, April 26, a hearing on OMB's proposed revision of the A-95 review and comment process.

I sincerely urge that the A-95 review and comment process as it now exists, giving regional councils and local elected officials a voice in proposals for spending tax dollars, be retained. It is only through this process that we can help avoid duplication and become cognizant of programs planned for our area by jurisdictions that may be more broad than our own small area. We need the knowledge that comes to us through the A-95 process, and only through it do the elected officials - the voice of the people at the local level - have opportunity to register objections or approval of programs and expenditures in our area.

I would appreciate your having this letter made a part of your hearing record.

Thank you indeed for the attention which you and members of your subcommittee are giving to this matter.

Sincerely yours,

Margaret P. Hays
Mayor

HGAC HOUSTON-GALVESTON AREA COUNCIL
Office of the President

November 25, 1981

Mr. Ed Harper
Deputy Director
Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Harper:

Enclosed you will find a copy of the letter written to David Stockman on September 15, 1981, on behalf of the Houston-Galveston Area Council.

As stated in this letter, the A-95 Process has proven to be most valuable and effective in promoting wise use of tax dollars, and to prevent duplication and inefficiency. It has also been a very useful guidance system for applicants, their programs, and at times, the operations of those programs.

For this reason I hope you will act quickly to insure the continuation of this valuable mechanism for state and local oversight of federal programs.

Thank you in advance for your attention to this most important process.

Sincerely,

R.A. "Mickey" Deison
County Judge, Montgomery County

RAD/gg
enclosure

P. O. BOX 22777
3701 WEST ALABAMA

713-627-3200
HOUSTON, TEXAS 77027

H-GAC HOUSTON·GALVESTON AREA COUNCIL
Office of the President

September 15, 1981

Mr. David Stockman
Director
Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Stockman:

I am writing on behalf of the Houston-Galveston Area Council's Board of Directors of elected officials to urge that you continue local review and comment by elected official clearinghouses. This procedure, commonly referred to as A-95, has proven itself of great value in promoting accountability for use of federal funds throughout our thirteen county region of over 3.2 million population.

The A-95 procedure has been of specific value in:

.Programming use of federal funds: Review by regional clearinghouses allows similar requests to be considered and areawide priorities set by and among affected local governments. I know of no mechanism at the federal level that would achieve similar results.

.Promoting wise use of funds: This agency conducts a thorough review of fund requests and is frequently able to suggest more economical approaches or eliminate unnecessary items in program requests.

The high compliance level with H-GAC's improvement suggestions is illustrated by the fact that applicants and funding agencies seldom decline to accept clearinghouse suggestions.

.Decreasing waste and improving efficiency: H-GAC is forthright in identifying inefficient or improperly operated programs.

Stringent H-GAC recommendations resulted, for example, in a one-year estimated improvement of 46% in attendance at our area's largest Head Start Program. We believe continued local oversight is useful and necessary for maximum benefit to be derived from whatever level of federal funds Congress may make available.

Without doubt, the local review and comment process can be streamlined and made more efficient. H-GAC has frequently noted that federal agencies fail to build in time for local review. This situation frequently leads to A-95 waiver requests, or to a short timetable for local review. We believe both these situations are

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3701 WEST ALABAMA

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HOUSTON, TEXAS 77027

disadvantageous. Additionally, we believe that some agencies, HUD most notably, regard local comments as an impediment to federal freedom in decision making. We do not concur with this philosophy, and believe local elected official comments are of great value in insuring wise use of public funds. H-GAC believes operation of A-95 can be made more effective and efficient through strong OMB leadership and direction to insure proper advance planning and through emphasizing relevance of local elected official views.

In summary, we are suggesting that local elected official review and comment is valuable to assure proper use of taxpayers funds, and believe the A-95 procedure should continue. We would be pleased to furnish you specific case materials of A-95 successes and failures if you wish.

We appreciate your attention to these views.

Sincerely,

R. A. "Mickey" Deison
County Judge, Montgomery County

RAD/gg

HGAC HOUSTON·GALVESTON AREA COUNCIL
Office of the President

April 22, 1982

The Honorable David Durenberger
Senator from Minnesota
353 Russell Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Durenberger:

I am writing on behalf of the Houston-Galveston Area Council of local governments to urge continuation of a clear local elected official role in modifications of OMB Circular A-95.

H-GAC, with a membership of over 130 local governments, is the regional planning body for a thirteen county area which is one of the most rapidly growing in the nation. Our area's tremendous growth brings great challenge to every level of government, particularly the local governments which must provide basic services. It is important that local elected officials be able to review proposed federal actions or fund requests affecting our area, and present their comments to State government and federal agencies.

Our elected official Board supports efforts to streamline and simplify federal requirements. However, we also suggest that any revision of A-95 should recognize the legitimacy of both state and local elected official concerns, and should clearly focus on the need to encourage coordination among federal, state, and local governments concerning federal assistance and areawide planning. We believe omission of a clear role for local elected officials omits those who are most directly knowledgeable about local needs, and most immediately able to deal with local problems.

H-GAC suggests, then, that A-95 revisions continue to recognize the local-state-federal partnership through providing for continuation of local elected official review. We also urge your committee to communicate to OMB the intent that local elected officials remain involved in any restructuring of the review and comment process.

Finally, we would urge that any A-95 revisions incorporate provisions for a comment period prior to final adoption, in order that all affected interests can provide their reactions to OMB before implementation of a new procedure.

Thank you for your continuing interest in local elected official review and comment and for your consideration of these views.

Sincerely,

Mary E. Wilbanks

Mary Elizabeth Wilbanks
Councilwoman, City of Baytown
PRESIDENT

MEW:ss

cc: Senator John G. Tower
cc: Senator Lloyd Bentsen

Scott M. Matheson
Governor

Kent Briggs
State Planning Coordinator

1896

STATE OF UTAH
Office of the
STATE PLANNING COORDINATOR
124 State Capitol
Salt Lake City, Utah 84114
(801) 533 5245

October 30, 1980

Mr. James F. Kelly, Chief
Federal Assistance Information Branch
Intergovernmental Affairs
Office of Management and Budget
New Executive Office Building Room 5234
Washington, D.C. 20503

Dear Mr. Kelly,

Thankyou for the opportunity to review the Conceptual Outline of Proposed Revisions to OMB Circular A-95. We support your efforts in undertaking such a comprehensive revision process. In addition, we feel that an effective and efficient process can be achieved because the revision effort is being coordinated with state and local governments at the conceptual stage.

The following comments represent the State clearinghouse's support of, as well as concerns about, particular aspects of the conceptual outline:

The clearinghouse agrees that federal funding procedures should be consistent. However, these proposed changes will affect not only the allocation of federal funds but also the planning process within each state. Therefore, the clearinghouse urges that the proposed revisions allow greater state control over the development of internal state planning processes and organizations. Since one of the documents goals is a coordinated and consolidated planning effort, greater emphasis on the state's authority will achieve that goal.

For example, the Attachment II-3 states that the designation of [APCOs] would be made by the governors but that the Office of Management and Budget (OMB) would have final approval of those designations. The clearinghouse feels that the OMB would gain greater support from states in designating APCOs if each state had final approval of both the APCO region and membership.

Further, the sunset provision outlined in Attachment I-1 does not provide for coordination with the state or local governments in the review of existing federally-sponsored planning organizations. Since each state has a thorough understanding of its unique needs and has developed processes currently in place to meet those needs, the sunset reviews should be conducted in conjunction with state and local governments. In this manner, the effectiveness of the review could be enhanced through the recognition of, and accounting for, internal planning processes as well as external coordination and communication processes with the federal agencies.

Second, the clearinghouse is concerned about the different standards applied to metropolitan and non-metropolitan areas. Although we concede that issues may differ in metropolitan vs non-metropolitan areas, the standards applied to the administration of the planning organizations should be consistent. The proposed revisions state that the governor may establish additional criteria as well as have final approval for designation of APCOs in non-metropolitan areas. This is not the case in metropolitan areas, as discussed above. Due to this difference in standards, inconsistencies in the administration of planning organizations will continue to exist and will act to circumvent the proposed revisions' purpose. The clearinghouse feels that the proposed revisions could account for the different metropolitan/non-metropolitan requirements of federal funding agencies while still providing a consistent standard for designation of APCOs.

Third, the clearinghouse supports and encourages the integration of federally required state planning with the long-range planning and budgeting procedures at the state level. The integration of these here-to-fore seperate processes will allow each state to better tie planning to program and project implementation. In addition, the elimination of one procedure and the possible substitution of state planning for federal planning will serve to increase state-level efforts to develop long-range planning.

Fourth, the clearinghouse supports OMB's proposal to enforce A-95 requirements through implementation of formal investigation and/or grant award suspension for non-compliance. We realize that the application of these enforcement procedures is unrealistic in many cases due to legal constraints and/or time constraints. However, OMB's responsiveness to clearinghouse complaints of A-95 non-compliance emphasizes and enhances, for all involved parties, the critical role that the A-95 process plays in sound planning decisions.

Nevertheless, the clearinghouse feels that OMB could initiate additional measures that would help to achieve compliance during the process rather than after the fact. For instance, the federal funding agencies do not require written proof that an application has been submitted for A-95 review. In several cases, this has resulted in the applicant by-passing A-95 review but still receiving federal monies. This practice is particularly prevalent in grant award applications. The clearinghouse suggests that OMB require the applicant to submit written proof to the federal funding agency that A-95 procedures are being complied with. The written proof could be a notice of receipt, signed by the A-95 coordinator, stating that the application is in the review process. The application would not be considered by the federal agency unless and until they receive this notice. Further, requiring a notice of receipt would also eliminate the ambiguity and the confusion created by the "no response received" check in block 22b of OMB required form SF424.

In addition, OMB could make other changes to the SF424 form to ensure compliance. These include a requirement that federal grant officers list the amount requested as well as the amount awarded and also put the State Application Identifier number in block 3a.

Finally, the clearinghouse encourages OMB to seek additional federal funding support for state and areawide clearinghouses. The A-95 review assists federal, state and local governments in making coordinated and sound planning decisions. However, in order to continue to provide a comprehensive and an effective review process, costs must be shared. In this manner, a truly coordinated partnership can be achieved.

Sincerely,

Kathleen C. McGinley, Director
Intergovernmental Relations

cc: Robert N. Wise, Director
Council of State Planning Agencies

Chittenden County Regional Planning Commission

P.O. BOX 108, 58 PEARL STREET
ESSEX JUNCTION, VERMONT 05452
802 658-3004

November 4, 1981

Honorable Patrick J. Leahy
United States Senator
Room 427, Russell Senate Office Building
Washington, D.C. 20510

Dear Pat,

We are concerned that the Office of Management and Budget is considering doing away with the A-95 process. We are surprised that David Stockman would recommend elimination of one of the few federal programs that establishes a fifty-state - and substantial number of sub-state - clearinghouse network to provide information to Washington and to the states on duplication of effort with federal and/or state funds. A good example of how the system worked prior to A-95 was the construction of the Winooski sewerage treatment plant across the River from the Burlington Riverside Avenue sewerage treatment plant, when one plant could have served both communities. Had A-95 been on line in the above case the second plant would not have been built.

The contrary is true in post-A-95 times with the tri-town sewer proposal whereby the Towns of Essex and Williston proposed to join an expanded Essex Junction sewerage treatment facility, thereby saving federal, state and local taxpayers' money.

Many of the savings in taxpayers' dollars are not always apparent at the Washington level. The A-95 process gives an opportunity for citizens' involvement in government through work with applicants for federal or state funds to improve the use of the taxpayers' funds, to eliminate duplication and to eliminate non-needed projects. One example comes to mind which may be helpful to you. Several years ago a local group was receiving L.E.A.A. funds for providing youth services. About 74 percent of their federal dollars was used for overhead and 26 percent for services. Our A-95 citizens group thought this was not the best approach for services delivery nor best use of taxpayers' dollars. They negotiated with the group and as a result a non-profit corporation was set up, several service delivery organizations for youth were brought under one umbrella organization and the 74/26 ratio was turned around with approved

. . . Serving the Municipalities of . . .
Bolton Burlington Charlotte Colchester Essex Junction Essex Town
Hinesburg Huntington Jericho Milton Richmond
St. George Shelburne So. Burlington Underhill Westford Williston Winooski

services and more bang for the buck. I am not sure this A-95 project change would have ever reached Washington under the normal reporting system. It is just part of the A-95 process. I am sure there are a number of examples of peoples' actions across the country leading to improving the effectiveness of use of federal, state or local funds through an A-95 process. I would submit that each state and sub-state clearinghouse that is doing a halfway decent job has a few success stories dealing with their subcommittee and citizens review work improving the use of taxpayers' funds to eliminate duplication and to eliminate non-needed projects.

Perhaps you should remind Mr. Stockman of the old Vermont expression, "If it ain't broke, don't try and fix it."

Best regards,

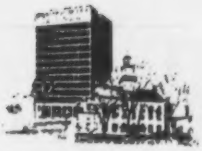
Art

ARTHUR R. HOGAN, JR.
EXECUTIVE DIRECTOR

ARH/cm

cc: Mr. Richard Hartman, NARC ✓

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX
BOARD OF SUPERVISORS
FAIRFAX, VIRGINIA 22030



JOHN F. HERRITY
CHAIRMAN
4100 CHAIN BRIDGE ROAD
FAIRFAX, VIRGINIA 22030

TELEPHONE 69[illegible]321

December 10, 1981

Mr. David Stockman, Director
Office of Management and Budget
Executive Office Building
Washington, D. C. 20503

Dear Mr. Stockman:

At the request of my fellow members of the Fairfax County Board of Supervisors, I want to convey our experience with a portion of the A-95 process.

Within the last year, there have been at least two instances in which Federal agencies have approved funds for projects before the A-95 process had been initiated. In both instances, a member of our Board wanted to comment on these projects subject to A-95 review. However, the Board member discovered that the projects were funded only one day after the A-95 review process was initiated.

Therefore, even though we feel that the A-95 review process is beneficial generally, we would urge a position that would prevent funds being committed by Federal agencies until the notification and review process required by OMB Circular A-95 Revised has been concluded.

Sincerely,

J Herrity

John F. Herrity

cc: Board of Supervisors

WEST PIEDMONT PLANNING DISTRICT COMMISSION

P.O. BOX 1191
MARTINSVILLE, VIRGINIA 24112
PHONE 703/638-3987

September 2, 1981

Mr. David Stockman, Director
Office of Management and Budget
New Executive Office Building
Washington, DC 20503

Dear Mr. Stockman:

With reference to the request of Secretary Pierce of the Department of Housing and Urban Development that all HUD programs be exempted from the A-95 review process, the West Piedmont Planning District Board of Commissioners agreed unanimously at its August 1981 meeting to express its support of the process in general and specifically to oppose the exemption of HUD projects from the review process. The Planning District encompasses the Cities of Danville and Martinsville; the Counties of Franklin Henry, Patrick, and Pittsylvania; and the Town of Rocky Mount.

The A-95 review process provides the Planning District Commission as well as its member jurisdictions a means of expressing views concerning federally sponsored projects. It should be noted that the West Piedmont Planning District undertakes the review process with local funding. In the past, the Planning District has conscientiously utilized the review process in an effort to address vital issues of concern such as:

--determination of need for proposed federally sponsored projects;
--determination of consistency of projects with local and regional comprehensive plans;
--determination of duplication of effort of proposed projects; and
--determination of cost-benefit ratio of proposed projects.

The following are examples of ways in which the Planning District's Board has utilized the review process as a vehicle for expressing concerns with particular issues:

--The Board consistently has noted its opposition regarding the excessive rent and the 75 percent rent subsidy of HUD housing projects.
--Following review of a local agency's request for federal funds for a senior citizens program, the Board adopted a resolution requesting representatives in Congress to make appropriate changes in the Older Americans Act itself and/or in administrative regulations, as appropriate, to set in place a mechanism which would require that a determination be made as to whether a senior citizen is indigent and, if not, that the person be required to contribute to the actual cost of meal and/or transportation services (as

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opposed to the present voluntary system of contributions). A copy of the resolution is attached.

Since the projects reviewed under the A-95 review process have a substantial, long-term impact on the localities of this Planning District, the Board desires a more substantive role in decisionmaking for project approval rather than a weakening or removal of the A-95 review responsibilities. The Board further supports strengthening the process in respect to more consideration of local input and perogatives.

Your consideration of our views on this matter will be appreciated.

Sincerely yours,

Mark R. Henne
Executive Director

jjh

enclosure

cc: The Honorable John W. Warner
The Honorable W. C. "Dan" Daniel
The Honorable Harry F. Byrd
Mrs. Eliza Severt, Chairman, WPPD Board

SVPDC

Southeastern Virginia
Planning District Commission

MASON C. ANDREWS, M.D. . . . . . CHAIRMAN
MEYERA OBERNDORF . . . VICE CHAIRMAN
JOHN T. MAXWELL. . . . . TREASURER

16 KOGER EXECUTIVE CENTER · SUITE 100
NORFOLK, VIRGINIA 23502 · (804) 461-3200
ARTHUR L. COLLINS · EXEC. DIR/SECY.

May 11, 1982

The Honorable David Durenberger
Member, U. S. Senate
Chairman, Senate Intergovernmental
Relations Subcommittee
Room 507, Carroll Arms Building
301 First Street, N.E.
Washington, D. C. 20510

Re: A-95 Review (ARA)

Dear Senator Durenberger:

We have been advised that your Subcommittee held a Hearing on OMB Circular A-95 on April 26, 1982. The Southeastern Virginia Planning District Commission has been involved extensively with the A-95 review process over the last thirteen years. On April 27, 1982, we provided comments on the OMB Draft Proposal to Mr. Richard F. Williamson. Enclosed for your information is a copy of our comments to Mr. Williamson. We request that these comments be incorporated in the record of your April 26th Hearing.

The Southeastern Virginia Planning District Commission is encouraged by your interest and concern with the A-95 process. We appreciate the opportunity to provide our comments to you. If you have any questions or need further information, please do not hesitate to call.

Sincerely,

Arthur L. Collins
Executive Director/Secretary

JMC:ve
Enclosure

cc: Mr. Richard Hartman, NARC
Senator John Warner

SVPDC

**Southeastern Virginia
Planning District Commission**

MASON C. ANDREWS, M.D. . . . . . CHAIRMAN
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16 KOGER EXECUTIVE CENTER · SUITE 100
NORFOLK, VIRGINIA 23502 · (804) 461-3200
ARTHUR L. COLLINS · EXEC. DIR/SECY.

April 27, 1982

Mr. Richard F. Williamson
Assistant to the President
for Intergovernmental Affairs
White House
1600 Pennsylvania Avenue
Washington, D.C.

Re: A-95 Review (ARA)

Dear Mr. Williamson:

On April 22, 1982, the Southeastern Virginia Planning District Commission received a copy of your recent Mailgram concerning A-95 Review from the National Association of Regional Councils. We have reviewed the draft proposal in the context of our involvement with the A-95 Review Process over the last thirteen (13) years. During that period, the SVPDC staff has worked with the State Clearinghouse and other Virginia Planning District Commissions as a member of the Virginia Association of Planning District Commissions' A-95 Task Force. This has resulted in substantial improvement in the A-95 Review Process in Virginia. We have also participated on a Task Force convened by Senator John Warner to study the A-95 Review Process and to recommend improvements to the process as implemented at the federal level. We commented extensively on the 1980 OMB Concept Paper through these two activities.

The SVPDC staff firmly believes that the A-95 Review Process is a valuable mechanism for intergovernmental coordination. However, the Process must have federal support in order to be meaningful. The present approach, including the involvement of local governments, is mandated in several Federal laws. These laws do not permit the federal executive agencies and individual state governments the option of opting out of the process. It appears to us that legislative changes will be required to authorize the approach being proposed.

With respect to the details of your draft proposal, we believe that the federal agency administrative burden will be increased by requiring each agency to respond to different review processes in different states and localities. This approach raises serious questions about federal support for and compliance with the A-95 Review Process. It appears that it would be particularly troublesome to federal agencies to have to deal with fifty or more individual state review systems.

The proposed policy refers to the federal program planning cycle. It does not, however, address federal project actions, such as permits, grants etc. Although an overall federal program may be very desirable and receive wide support at the state and local level, specific projects within that program may be duplicative or undesirable for a number of reasons.

MAILED

The draft policy does not permit, as does current Circular A-95, specific consideration of such projects. Of equal concern to a Clearinghouse, such as ours, which is impacted greatly by federal activities, including the DOD, the USDI and Corps of Engineers, is the fact that the draft proposal does not address A-95 Review of direct federal development projects. These matters should be addressed in detail before OMB issues a revised review process.

Given the sketchy details of the future review process which are contained in the draft proposal sent to NARC, we request that OMB provide a minimum of 30 days for state and local agencies to review the detailed proposal.

For your information, I am enclosing a copy of the report developed by Senator John Warner's A-95 Task Force. I urge that you give this paper serious consideration during the process of refining OMB Circular A-95.

If you have any questions concerning our comments, plese do not hesitate to call.

Sincerely,

Arthur L. Collins
Executive Director/Secretary

Enclosure
JMC/mfs

cc: Mr. Richard C. Hartman
NARC Executive Director

State of Washington

JOHN SPELLMAN, Governor

OFFICE OF THE GOVERNOR

November 11, 1981

The Honorable David Stockman, Director
Office of Management & Budget
Old Executive Office Building
17th Street & Pennsylvania Avenue Northwest
Washington, D.C. 20503

Dear Mr. Stockman:

I understand that the Vice President's Task Force on Regulatory Relief will review OFM Circular No. A-95 and make a recommendation to have it retained, strengthened, or rescinded. I believe all government regulations should be examined periodically, and I support the President's determination to rid government of unnecessary regulations that consume time and energy. But some regulations are necessary, and one is A-95.

Although many of A-95's requirements have become burdensome in the years since its inception, its rationale remains sound: to allow local and state governments the opportunity to review and comment on projects and programs that are planned for their jurisdictions will enhance the likelihood of more efficient and effective government services. Of course the A-95 process should be simplified greatly, particularly by: reducing the number of applications that currently must be submitted for review; shortening the review period required; and, giving local and state governments more discretion in choosing the kinds of projects they wish to review.

For these reasons, I encourage you to simplify A-95 as much as possible while retaining the basic concept of providing a mechanism to keep state and local governments informed of pending Federal activities.

Sincerely,

John Spellman
Governor

cc: The Vice President

Legislative Building • Olympia, Washington 98504 • (206) 753-6780 • (Scan) 234-6780

MOVRC

MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL
Affiliated With The
Mid-Ohio Valley Area Development Corporation
P.O. Box 247, 925 Market Street, Parkersburg, WV 26101
(304) 485-3801

December 4, 1981

Mr. Edwin L. Harper
Deputy Director
Office of Management and Budget
Old Executive Office Building
Washington, DC 20503

Dear Mr. Harper:

With regard to current administrative review of the OMB-sponsored A-95 comment and review process please allow me on behalf of the eight counties and twenty-two municipalities within West Virginia's Mid-Ohio Valley to voice my support for continuation of the process.

Although much attention is given to the dollars saved through the process (in our area reduced duplication of effort has resulted in capital project savings approximately eleven million dollars) I believe the most remarkable aspect of the system-as it is handled by our members-is the high level of coordination and communication which are an intrinsic part of the process and have had spillover implications affecting other areas of mutual cooperation.

The A-95 review system has been ingrained so thoroughly in our developmental planning process that our members jealously guard the process as very much their own and very much a safeguard against extravagance and exhorbitant public fiscal behavior.

We would respectfully support any decision to maintain the A-95 program as a pragmatic approach to sound public project programming.

Sincerely,

Terry Tamburini

Terry Tamburini
Executive Director

TT:sm

MOVADC

CALHOUN — JACKSON — PLEASANTS — RITCHIE — ROANE — TYLER — WIRT — WOOD COUNTIES

April 26, 1982

Senator David Durenberger
Senate Intergovernmental Relations Subcommittee
United States Capitol
Washington, D. C. 20520

Dear Senator Durenberger:

In regard to the future of the "A-95" review and comment system, please be advised that it is the view of the Staff Directors of Wisconsin's Regional Planning Organizations that the federal policy proposed recently in the statement by Mr. Richard S. Williamson should be altered as follows:

1. Point 2 should state that federal agencies shall support area wide planning, review and coordination programs that are general in nature and that have the support of local general purpose units of government.

2. At Point 3, federal agencies should encourage the states to develop the process described in the paragraph.

In addition, we urge that this Policy be promulgated on a basis that will allow a comment period.

Over the past several years Wisconsin has had success with the A-95 process. We intend to work at the state level to institute a workable state-regional-local substitute for the "A-95" requirements. It is our hope that federal encouragement will support our efforts, rather than the "hands off" posture suggested in Mr. Williamson's draft.

We will appreciate your consideration of our views.

Sincerely yours,

Richard A. Lehmann
Executive Director
Wisconsin Council of Regional
Planning Organizations

RAL/ckc

cc: Wisconsin Congressional Delegation
✓Richard C. Hartman, NARC
Charles Tollander, CORPO Chairman

Northwest
REGIONAL
Planning
COMMISSION

EXECUTIVE COMMITTEE

CHAIRMAN
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• ASHLAND COUNTY
Robert Duesenberg
• BAYFIELD COUNTY
Walter Johnson
• BURNETT COUNTY
Charles Tollander
• DOUGLAS COUNTY
Donald Leggate
• IRON COUNTY
Roland Kannenberg

• PRICE COUNTY
Ernest [illegible]
• RUSK COUNTY
Marvin Hanson
• SAWYER COUNTY
Chester Runcler
• TAYLOR COUNTY
Edwin Aniers
• WASHBURN COUNTY
Edward [illegible]

• INDIAN RESERVATIONS
Walter Saarman

...an economic development district

April 29, 1982

Richard S. Williamson
Assistant to the President
for Intergovernmental Affairs
Room 87/OEOB, The White House
Washington, D. C. 20500

Dear Mr. Williamson:

In response to the proposed new policies which are to replace OMB Circular A-95 requirements now in place, the Northwest Regional Planning Commission wishes to emphasige the following:

- The intergovernmental communications and coordination of federally funded projects on the state and local level is absolutely necessary if tax revenues are to be utilized efficiently. This is in the federal interest and a responsibility under the Intergovernmental Cooperation Act.

  New policies should be intended to "preserve" the local government review and comment process. Stronger federal assurances are needed to local governments, to federal agencies and states to not only "encourage" and "permit" procedure development for intergovernmental communication and coordinatione but lead in the process of making it more meaningful and productive.

  Federal Grant-In-Aid program dollars are still federal dollars, intended to serve the federal interest as designated and allocated by Congress. Because block grants allow for greater flexibility in use, the need for notification of proposed activities to other units of government and agencies and a review process is greater now than ever before to avoid duplication of activities, conflict and inefficiencies.

- The Northwest Regional Planning Commission advises against viewing the local review process as excessive regulatory burden. While "simplicity and consistency" are welcome goals, we believe they can be achieved with a stronger federal commitment.

- The NWRPC sees the reduction of federally sponsored special purpose agencies as encouraging support for local control.

We urge that more consideration be given to these proposed changes that will accommodate our concerns.

Charles Tollander

Charles Tollander

cc: Senator Durenberger
Secretary Kenneth Lindner, Wis., DOA
✓National Association of Regional Councils
National Association of Development Organizations

302 Walnut Street Spooner, Wisconsin 54801 • 715 635-2197

Lincoln - Uinta
Association of Governments
An Energy Impact Assistance Program

P.O. Box 389 Kemmerer, Wyoming 83101 (307) 877-3984

December 2, 1981

Mr. Edwin L. Harper,
Deputy Director
Office of Management and Budget
Old Executive Office Bldg.
Washington, D.C. 20503

Dear Mr. Harper:

I am writing in regard to the Office of Management and Budget's Circular A-95. I understand that a decision on the future status of this program will be forthcoming through your office.

I feel the original concept of the A-95 process was good; local comment on proposed projects utilizing Federal funds which impact local government. Like many Federal projects, a good idea became a paper-based, bureaucratic nightmare.

I have worked for several agencies in Colorado, Ohio, and Wyoming that participated in the A-95 process as a regional clearing house or as a commenting agency. In most cases, the A-95 process became a paper-work exercise expending large amounts of staff time. In those rare cases, when a project received infavorable A-95 comments, the projects were funded anyway.

The political clout of the applicant had far more bearing on the approval of a project than did the general merits of the A-95 comments.

It is my feeling that if the A-95 process is streamlined and brought into compliance with the original intent of OMB, it is worth preserving. If the process remains the same, it should be eliminated as a good idea gone bad.

If you have any questions or concerns about any issue raised in this letter, please do not hesitate to contact me.

Sincerely,

Jan C. Wellman

Jan C. Wellman
Executive Director

JCW/ml

cc: Harold Steinberg, OMB
Richard S. Williamson, Assistant to the President.

metropolitan washington
COUNCIL OF GOVERNMENTS
1875 Eye Street, N.W., Suite 200, Washington, D.C. 20006 223-6800

May 12, 1982

Honorable David Durenberger
United States Senate
Chairman, Senate Intergovernmental
  Relations Subcommittee
Room 507 Carroll Arms Building
301 First Street, N.E.
Washington, D.C. 20510

Dear Senator Durenberger:

The officials of the Metropolitan Washington Council of Governments are profoundly concerned with the proposal to replace OMB Circular A-95 with a system providing for a voluntary, individual state-based system.

We would therefore appreciate it if you incorporated the attached letter in the hearing record of your hearing of April 26, 1982 on the subject, and if you took the urgent views expressed in the letter into account in any further action by you or your Subcommittee.

We are profoundly grateful to you.

Sincerely yours,

Walter A. Scheiber
Executive Director

District of Columbia • Arlington County • Fairfax County • Loudoun County • Montgomery County • Prince George's County • Prince William County
Alexandria • Bowie • College Park • Fairfax City • Falls Church • Gaithersburg • Greenbelt • Rockville • Takoma Park

metropolitan washington
COUNCIL OF GOVERNMENTS
1875 Eye Street, N.W., Suite 200, Washington, D.C. 20006 223-6800

May 12, 1982

Honorable David Durenberger
United States Senate
Chairman, Senate Intergovernmental
  Relations Subcommittee
Room 507 Carroll Arms Building
301 First Street, N.E.
Washington, D.C. 20510

Dear Senator Durenberger:

I am impelled to write to you to express the deepest possible concern of the elected and appointed officials of the sixteen major cities and counties represented in the Metropolitan Washington Council of Governments at the proposal to replace OMB Circular A-95 with an executive order on the same general subject. Our officials are especially concerned at the substantial damage which this proposal would do to interstate metropolitan councils such as ours, and to the metropolitan areas they serve.

The Council of Governments, as you may know, is the voluntary association of the major local governments of the Washington Metropolitan Area. Its 222 members include all the mayors, county executives and members of the councils and boards of these cities and counties, as well as the state legislators and the four United States Senators and six Congressmen representing this area. Its activities encompass the fields of areawide growth and development, transportation, public safety, health and environmental matters, and human resource programs. It is among the oldest of the nation's approximately 225 councils of governments.

The adverse impact of the proposal under consideration would not be limited to the Washington area. On the contrary, it would affect the more than 25 percent of our country's urban population -- more than 55,000,000 Americans -- who live in the 38 interstate metropolitan areas of the United States. These areas include New York, Philadelphia, Washington, Cincinnati, St. Louis, Kansas City, Louisville, Memphis and Portland, among others.

In each of these areas, replacement of Circular A-95 by a voluntary state-based system could lead to unwarranted fragmentation of essential areawide programs. It could splinter associations of local governments painstakingly built up over many years, and result in unnecessary waste, inefficiency, duplication and possible conflict in the expenditure of Federal funds. The matter is sufficiently serious to warrant your personal attention.

District of Columbia • Arlington County • Fairfax County • Loudoun County • Montgomery County • Prince George's County • Prince William County
Alexandria • Bowie • College Park • Fairfax City • Falls Church • Gaithersburg • Greenbelt • Rockville • Takoma Park

It is universally acknowledged that metropolitan areas comprise economic and social entities, whether they are located wholly within a single state or whether they encompass parts of two or even three states. The metropolitan areas of America are confronted today by a variety of problems, but few are more vexing than the fact that almost without exception the areas are composed of a multitude of local governmental units, which in the past have all too frequently failed to cooperate in the delivery of services or in responding to the needs of their citizens.

This difficult problem is exacerbated in interstate metropolitan areas. In metropolitan areas wholly within one state, the state government has a potential capacity to help knit together the local governments of its urban areas, and to encourage them to act in cooperation with each other. Many states, such as Texas and Georgia, have done an admirable job in this respect.

In interstate metropolitan areas, however, the situation is far different. Here a single urban area, with common economic and social interests and problems, finds itself split not only by city and county lines but also by state boundaries which may bisect or trisect it into two or three separate states. More often than not, the states have either tended to ignore the area in favor of urban areas wholly within their boundaries, or have made it a battleground for their differing philosophies and policies concerning the complex problems with which they are wrestling.

Over the past 25 years, the local governments of our nation's urban areas have learned gradually to work with each other toward the alleviation of their problems, through councils of governments which they have created. They have been supported and assisted in this effort, out of which many impressive successes have come, by a variety of Federal programs. The A-95 Review and Comment system has been a preeminent factor in these efforts, and in the many impressive successes which have resulted.

Among these achievements have been the development of regional training facilities and programs for local officials, joint purchasing programs which have saved local governments hundreds of thousands of dollars, areawide police and fire mutual assistance programs which have resulted in substantially improved law enforcement and fire-fighting efforts, fair share housing programs which have produced equitable distributions of low- and moderate-cost housing on a basis satisfactory to all area local governments, regional solid waste disposal systems, cooperative economic development programs, and a host of others.

Local governments have acknowledged these accomplishments, by their firm and growing support of areawide organizations. In the case of our COG, the area's local governments not only support our programs, but voluntarily contribute more than $1,000,000 a year to help underwrite them.

Within the past several years, an increasing number of states have begun to work closely with their councils of governments. COGs now exist in some 45 states, and almost 40 of these provide state financial and technical support for their regional councils.

However, virtually no state government has shown either a concern or a desire to work with its neighboring states or their local governments on the problems of interstate metropolitan areas which are common to each. Where cooperation has developed, it has been limited to attempts to deal with one or two specific problems, such as transit or sewage disposal. There has been no attempt by any state to deal with the problems of interstate urban areas on a broad or comprehensive basis.

Interstate metropolitan areas thus tend to be governmental "orphans," of interest and concern only to their own local governments and occasionally to Federal Government agencies, but virtually never to the state governments which technically have jurisdiction over portions of them. Differing constitutional, legislative and political backgrounds among states tend to insulate state governments from an ability to see and deal with the interstate metropolitan area as the economic and social unit it is. State boundaries are perceived as immutable barriers, even when they bisect natural communities, to be breached only after the most agonizing and extended deliberation and only to deal with specific problems which have become overriding in character. (It took almost ten years for the two state legislatures of the Washington area and the Congress to negotiate and approve a compact to build a subway system, even though the political leaders and the citizens of the region were almost unanimously in favor of it.) There is no tradition of state cooperation within interstate metropolitan areas akin to the emerging broad pattern of inter-local cooperation expressed in the development of COGs and other multi-purpose areawide organizations.

Within this pattern of inter-local planning and coordination, no single element has been as important as the A-95 Review and Comment system.

With support provided by A-95, inter-local regional councils have grown up in virtually every one of our 38 interstate metropolitan areas. Had we had a voluntary state-based system, or should a decision now be made to create one covering interstate metropolitan areas, the pattern of growth of the interstate councils could be expected to be interrupted and their rate of development severely curtailed. Several reasons exist for this fact:

> States, if they develop their own Review and Comment systems will understandably give preference to regional councils wholly within their boundaries, thus tending to starve the interstate metropolitan councils whose jurisdiction, by definition, lies partially outside the state's boundaries and sphere of concern.

When two or more states develop voluntary systems, they will be subject to several differing sets of state policies and priorities. This will make it almost impossible for the interstate council to construct a coherent and unified system directed to the problems of the total metropolitan area.

The need to adhere to different state systems will not only result in differing and occasionally conflicting policies and priorities for the interstate metropolitan council, but will require that excessive amounts of time be devoted to process, rather than to producing substantive results.

Since there will be no requirement that states coordinate their decisions with each other or with local governments, even when local governments and one or more other states concerned within the area desire a coordinated system, cases will arise in which a single state in an interstate area can cripple a proposed Review and Comment system notwithstanding its value or the wishes of its sister states and the local governments of the metropolitan area. (Our COG learned this lesson at firsthand several years ago when Maryland and the District of Columbia endorsed an application by us to set up a badly-needed comprehensive health planning program for the metropolitan area but Virginia's failure to approve it acted as a veto on the wishes of the other states.)

Cases will also arise when states will choose to dismantle the interstate metropolitan council so that they can create their own organization, irrespective of the wishes of the local governments of the area and irrespective of the record and the value of the interstate council.

The major problems confronting metropolitan areas must be addressed on a concerted basis even when these metropolitan areas are fragmented by state lines. Water supply, water pollution abatement and air pollution control can be dealt with adequately only through a unified governmental effort. There just is no other way. Highway construction and transit development, housing and manpower programs require closely coordinated actions, if they are to be carried out successfully. In each case, a single coordinating mechanism is crucially important to that success.

Circular A-95, in which the Clearinghouses have been directly designated by OMB in interstate metropolitan areas, has been a major catalyst for the development of the planning and coordinative organizations which have been the response of our local governments to the pressing needs described above. A shift at this time to a voluntary, individual state-based system involving state governments which have shown little interest or concern with the problems of these metropolitan areas would result in confusion, inconsistency in the expenditure of Federal funds, waste, and perhaps added conflict at a time when greater unity and purpose in meeting and dealing with metropolitan problems are essential. It would be a glaring inconsistency with the President's efforts to achieve simplification in Federal programs.

It is our concern that a decision to move away from direct designation of each interstate metropolitan council by OMB, to a voluntary, individual state-based system to states having divergent policies and other primary concerns, would set back the cause of metropolitan cooperation and problem-solving in interstate metropolitan areas by years, at the very time when they can least afford further delay or confusion in addressing the critical issues which confront them.

We earnestly urge that you take these unique factors involving interstate metropolitan areas into account as you formulate the proposed new system, and that you make specific provisions for them.

Sincerely yours,

Walter A. Scheiber
Executive Director

Enclosure: Resolution

R18-82
Adopted May 12, 1982

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
1875 Eye Street, N.W.
Washington, D. C. 20006

RESOLUTION ON PROPOSED REVISION OF OFFICE OF MANAGEMENT AND BUDGET'S CIRCULAR A-95

WHEREAS, the U.S. Office of Management and Budget (OMB), promulgated regulations under the requirements of Title IV of the Intergovernmental Cooperation Act of 1968 and Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, to fulfill the requirements of state, regional and local coordination in actions taken by the Federal government affecting community development; and

WHEREAS, these regulations embodied in OMB Circular A-95 provide for the designation of state and areawide clearinghouses to obtain the policies, recommendations and views of elected officials representing state, regional and local general purpose local governments; and

WHEREAS, Circular A-95 recognizes the unique situation in the 38 interstate metropolitan areas of the United States, by providing for direct Federal designation of clearinghouse agencies in such areas, rather than having designation being made by the state as is provided in the Circular in intra-state situations; and

WHEREAS, the Metropolitan Washington Council of Governments (COG) is the designated clearinghouse agency for the Washington Metropolitan interstate area and has functioned as such for over 14 years; and

WHEREAS, the clearinghouse designation has assisted the area's general purpose local governments to coordinate their own activities and to affect the Federal and state decisions on projects and programs within the Washington Metropolitan interstate area and to ensure, where possible, that such decisions are consistent with local and areawide policies and planning in the development of the area; and

WHEREAS, OMB is currently proposing to modify the OMB Circular and replace it with a Presidential Executive Order which would delegate to the states the opportunity to formulate coordination systems to replace the existing system which would, in effect, dismantle the existing institutional review process arrangements in interstate areas; and

WHEREAS, the proposed Executive Order apparently will contain only a provision calling for Federal agencies to coordinate their actions in interstate areas by seeking the views of elected officials in one state with those of another state where Federal planning and programming decisions would impact on the area; and

WHEREAS, such policies would not be carried out necessarily through designated interstate coordination agencies such as COG and would leave the consultative arrangement largely to the devices of individual Federal agencies and states,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

1. In any revision of OMB Circular A-95, OMB should recognize the unique coordination problems in interstate metropolitan areas and provide the following:

a) The general purpose local governments in such areas should be provided with the opportunity, through a designated single interstate metropolitan agency, to review and coordinate with the Federal government on proposed actions and grant proposals by state, regional and local governmental units that impact the area;

b) Agencies such as COG, that have been already designated for this purpose through the direct action of OMB, should continue in such coordination role in the absence of a redesignation initiative by the general purpose local governments within the interstate metropolitan area; and

c) Unless found inconsistent with Federal law, Federal plans, programs and grant decisions should be consistent with officially adopted local and areawide policies, plans and priorities represented through such designated agency.

2. The Executive Director is authorized to transmit a copy of this Resolution to the appropriate Executive and Congressional officials charged with administering or having oversight for this intergovernmental coordinating process.

ESTADO LIBRE ASOCIADO DE PUERTO RICO
OFICINA DEL GOBERNADOR
JUNTA DE PLANIFICACION

CENTRO GUBERNAMENTAL MINILLAS
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APTDO. 41119, SAN JUAN, P.R. - 00940
TELEX — 385-9176 JP.OP.

November 4, 1981

Mr. Harold I. Steinberg
Associate Director for Management
Office of Management and Budget
238 Old Executive Office Building
Washington, D. C. 20503

Dear Mr. Steinberg :

It is our understanding that the OMB Circular A-95 is currently under review, and that it may remain, be modified, or be abolished altogether.

As State Clearinghouse for Puerto Rico, we would like to place on record our concerns regarding the possible future of the Circular.

Attached is a statement of our views regarding the effects of Circular A-95 in Puerto Rico. We believe the notification system has proved its usefulness in Puerto Rico and should be continued.

Sincerely,

Miguel A. Rivera Ríos
Chairman

Enclosure

AN EVALUATION OF THE EFFECTS OF OMB CIRCULAR A-95 IN PUERTO RICO

The Project Review and Notification System (PRNS) established by OMB Circular A-95, has been successful in promoting intergovernmental cooperation between Federal, municipal and central agencies of the Government of Puerto Rico. During the past year the PRNS has been the means of coordinating information regarding the activities of 48 agencies of the central government and public corporations, 78 municipal governments and 18 federal agencies, in about 100 programs involving the expenditure of $1. 3 billion in federsl grants, as well as loans and loan guarantees, all amounting to about $4 billion.

Establishment of the State Clearinghouse has enabled the central government to judge more accurately the extent of need for financial assistance in state agencies and local administrations ; the priorities, or changes in priorities, of these entities ; the perceived possible effects of proposed activities, as reflected in the comments and recommendations of interested parties ; and finally, the response of the federal agencies involved. At the same time the federal agencies have been informed, by this means, of important objections and possible negative consequences of proposed activities.

Information gathered through this system is regularly made available to the Governor's Office, the Legislature and the Office of the Resident Commissioner, among others, on a weekly and half-yearly basis. In addition, special reports are prepared as needed.

The A-95 system has therefore proven its high degree of importance in the decision-making process, especially as regards resource allocation.

The change in focus from the categorical to the block grant approach to federal assistance to states and local governments does not lessen the need for a mechanism for assuring intergovernmental cooperation. On the contrary, it would provide needed feed-back for continuing evaluation of the effectiveness of federal programs and control of expenditures, in order to lessen the duplication of effort.

In conclusion, the PRNS has proved its usefulness and should be continued in its present form.

○